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# **Globalization and Tourism: Study case Romania**

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Ilie ROTARIU

**GLOBALIZATION AND TOURISM**  
**Study case: Romania**

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I printed this book in 2004 for the Romanians' benefit.  
Not quite successfully!  
I have had it translated into English  
to whom it might concern.

Sibiu, August 2008

English version by Alexandru Danciu

Note: the chapter 1.5 is my faculty graduation paper in 1975 (except the comments on later periods). That time it was not noticed; it has paid back now.

*In heaven, the famous generals of the world, Alexander, Caesar, Napoleon, etc.  
are zealously serving the greatest general of all times: a shoemaker in Colorado.  
For as long as he lived, there was no war in Colorado...*

After a Mark Twain sketch

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## Introduction: idealistic circumscription

...Febvre and Martin said, in “L`apparition du livre”, that paper manufacturing soared in the 11<sup>th</sup> century, due to the discovery of a way to transform “circular movement into alternative movement”. It was about passing from mills to hammers... which mean decomposing continuous operations into fragmented operations.

What did Guttenberg invented? Payson Usher – (History of Mechanical Inventions) says: “Unfortunately a certain answer may not be given, because we are not in the possession of a document which makes reference to the specifications of the printing of the first book.” In the same fashion, Ford also doesn’t have a specific document regarding the production of its first automobiles.

A.N. Whitehead wrote in *Science and the Modern World* (page 141), regarding past times: “The greatest invention of the 19<sup>th</sup> century was, the invention of the inventing method. A new method was born. To understand our age, we must neglect the details of current innovations, such as rail roads, telegraph, and radio, sewing machines, synthetic colors. We must focus on the method itself...”

The invention method consists of, as Edgar Poe proved in the *Philosophy of Composition* of starting with the solution of the problem or the effect that you mean to produce. From here on, you turn back, step by step, to the beginning point, in order to find the solution...A new step was needed, which was made in the 20<sup>th</sup> century. We do not return from the product to the starting point, rather we follow the process itself, isolated from the product. To follow the borders of *the process*, like in psychoanalysis is the only way to avoid the consequences of the process, which are either *nervosa* or *psychosis*.

“I must repeat that what concerns me is the process of separating senses which allows the detribalization of men. If this social detribalization and affirmation of the individual is “a good thing”, it is not for me to decide...” In short, Harold Innis (*Empire Communications*) was the first one to draw attention that the shapes of a medium process involve a transformation process.

“The voice of specialists draws a serious alert signal regarding the approach of the moment where genetic scientists will be able to create a superhuman race...the superman is about to disappear in a short while...” It would be eloquent to remind you of the level of doping technology, in sports and not only...It won’t be long until parents will be able to choose the sex of their children, hair and skin colors, or IQ values” (*Tribuna Weekend* – 23 August 2003).

“Living matter is the subject of a development process, which goes trough different levels: biosic matter (living common matter), noesic matter (living matter with a high degree of development and organization which allows abstract thinking), enisic matter (a higher level than the noesic matter, yet unexploited on our planet...)” A new frontier has been crossed, but with a much broader front than initially was seeable<sup>1</sup>.

By its nature, the Law of Entropy itself appears as the most economical of all natural laws. Actually, the merit for introducing entropy as a new variable of state consists precisely of analytic simplification and unification made in such ways...The law of Entropy, is the second principle of thermodynamics and is in contradiction with the principles of classical mechanics...When talking about the novelty by combination (of consecutive and concomitant elements), something just happens, without a *causa efficiens* or a *causa finalis*...Must we always ask “why?” In the case of

---

1 Macovschi, E. – *The confirmation of the bio-structural theory by the high-voltage electron microscopy* – communication presented at the Romanian Academy, October 1981

some problems, the better question would be “to what ends”? Why must we make a difference between object, between Existence and Event, between Becoming? ... When talking about living organisms, only the shape matters....shapes cannot be counted”<sup>2</sup>.

*Here we have some affirmations about the past, about how we made it into the present. How is the present and which are the main modifications of the human species? We do not attempt to tackle such a work. But we will try to present the projection of several specific processes.*

We attempt to see which main requisites and restrictions which Romanian tourism will face from the perspective of globalization. Because mankind has touched “the wall”: not only did it populated the entire globe, but by means of communication and traveling, man is present everywhere, every time, all around; it has reached the limits of its “cage”: a new horizon, a new way of Weltanschauung. We also mention the “reduction” of space due to contemporary transportation and present communications make it possible, for example, for stock markets on different meridians, to function all the time, continuously for *homo planetarium*, thus reducing time itself.

And this phenomenon is not new. Ever since 1955, A. Gregg wrote: “Mankind has cancer, and this cancer is man itself”<sup>3</sup>. 19 years later, in “Mankind at crossroads”<sup>4</sup>, it was stated: “Suddenly...mankind is confronted with a lot of unprecedented crisis...the crisis intensity which is an effect of the globalization of the world...may only be solved in a global context.” We talk nowadays about the concept of “organic growth”, which, after several transformations, will become “sustainable development”, concepts still in evolution.

It is thus pointless to ask the question, the opportunity of entering the global tourism systems for Romanian tourism. Common sense and the self-conservation reflex oblige us to aboard requisites and restrictions which will come to be and which we must solve.

We shall analyze the current status of Romanian tourism and international tourism standards in order to reflect both areas of advantage and handicap. By comparison of strategies and politics applied by other countries – some in our situation – we will look out for advantages which will put us ahead in the global tourism competition.

Research was fascinating, results were plentiful, conclusions were surprising, gathered materials were numerous and very heterogeneous. We will only be able to make several analysis and considerations which will allow us to discuss our current economy – due to given workspace and length of the book; we will discuss its implications on tourism, as a resulting activity.

We will also have to make a short diagnosis of the world economic system, to establish a few characteristics of globalization, to see what international tourism is, and, if possible, to draw several applicable and lucrative conclusions.

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2 Nicholas Georgescu-Roegen – *Legea entropiei si procesul economic* - Ed. Politică 1979 ( *The Entropy law and the economic process* - Harvard University Press, Cambridge Massachussets 1971)

3 A.Gregg. *A medical aspect of the population problem*, Science nr. 121, 1955 p. 681

4 M-Mesdarovic, E. Pestel, *Omenirea la raspantie*, Bucharest, Ed. Politică 1975 pag. 11 and 151

## PART 1

### 1. The contemporary economic system and the projection of some specific phenomena

Economics, the ensemble of human activities regarding production, distribution and consumption of material goods and services has long since surpassed the restrictive framework of this definition. Today, it is a truism that the technological and scientific revolutions have brought research to border disciplines, to interdisciplinary research, has doubled the specialist – “he who knows a lot about nothing” – with a new *homo universalis*, but of a different nature than the one from the ages of Encyclopedias or the Renaissance. Production, distribution, and consumption have completely changed the classical theory. More and more often, profane works appear, closer to journalism than to academics, but which dissect, judge without prejudice and boldly predict the future of economics and, more and more, are validated by life. Economics manuals explain components and mechanisms for the functioning of the three spheres of economic activity. But neither the classical, nor the post-Marxist theories (which has as a center value man, as a supreme asset) **don’t visualize the dynamic factor**, which made and suffered major mutations in the past few years: **man**, but not only as labor force or consumer, rather as a human being, **as a thinking cane**<sup>5</sup>, looking for a meaning. It is precisely this unrest and then force of seeking, which lead to its evolution today.

Essential for the existence of society’s life, economics developed, formed a system of disciplines which would adjust and lead economic processes towards the welfare and safety of human collectivities. Furthermore, man itself being transformed, he who sets things in motion and is the main beneficiary of the system, the system included several other disciplines, some further away, thus resulting new systems which would respond to the imperatives of the present.

Also, different political systems, the diversity of existent levels on the globe have lead to multiple “economic systems”, which function by own internal rules but also interact in a “whole”, which we call the contemporary economics system.

We had to state this because of the specifics and novelty of this domain: tourism – completely different regarding classical production, and with relatively unknown new dimensions in our country.

Since two years ago, a new term is used by specialists in this field: “**commodification**<sup>6</sup>”, **meaning a transformation of commodity**<sup>7</sup> **of new tourist products: “experiences”<sup>8</sup>, “living”<sup>9</sup>**, which include and identify with tourist products. The term we propose – expecting a better one – is “commoditization”, which we will use from now on.

This example will allow us to illustrate the transformation of man both as a subject and an object of economics but also the modification of his existential position. Tourism itself is a system

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5 Blaga. L. - *Trilogia cunoașterii in Opere*, 1983, Bucharest, Editura Minerva

6 Not found in dictionaries

7 Commodity: 1. an article of trade or commerce, *esp.* a product as distinguished from a service. 2 Something of use, advantage or value. 3. *Stock Exchange*. Any unprocessed or partial processed good, or grain, fruits, or vegetables, or precious metals – Webster’s Encyclopedic Unabridged Dictionary, San Diego 2001, Thunder Bay Press.

8 Experience: 1. A particular instance of personally encountering or undergoing something: *My encounter with the bear in the woods was a frightening experience*. 2. The process of personally observing, encountering or undergoing something...5. *Philos.* The totality of the cognitions given by perception; all is perceived, understood and remembered. 7. to lean by experience. *Syn.* Encounter, know, suffer. EXPERIENCE ... refers to encountering situations, conditions etc. in life or to having certain sensations or feelings. EXPERIENCE implies being affected by what one meets with;

9 How far are feelings, passion, sadness, the whole range of untouchable, from the classical goods of the economic theories! And yet, marketing and management techniques are applied to them as well, not only in theory, but in everyday practice, sometimes even before and more systematically than in goods trade.

of integrated processes, but also a system of gnoseologic investigation. To integrate the effect on the consumer – tourist, we must again turn to systems<sup>10</sup>.

There is a considerable amount of literature regarding both the world economic system and economics in general. Or globalization. We shall stop only on several particular projections, with a considerable impact on principles, restrictions or requisites, for Romanian tourism at the time of globalization, which we consider essential to our study, because classical tourism has passed in a “post-modern” era, and the new forms of tourism function according to other principles.

Several paragraphs may appear closer to philosophy, history, sociology, politics, etc. But tourism sells no iron, nor cement, nor food, nor other “classical” products: it sells “emotions”. Globalization imposed the usage of marketing and management techniques in tourism, often

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10 See also Annex 3 but also Georgescu N. Roegen - *Legea entropiei și procesul economic*, Ed. Politică, București, 1996.

before production and tourism. Each treated problem will be found in chapters dedicated to tourism, as elements which explain the new face of postmodern tourism<sup>11</sup>.

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11 For the meaning of “postmodernist tourism” see Antti Hankanen, *Postmodern mass tourism – impossible combination or future trend?* – paper presented to ATLAS conference – Visions of Sustainability – Estoril 14-16



## 1.1 Fundamental changes in the intimate structure of the economy<sup>12</sup>

“The history of economic thinking<sup>13</sup>” tells us, by the voice of Xenophones (427 – 335 B.C.): “such a science, with which people may enrich their economic life, and economic life, after our ideas, is wealth as a whole, and wealth for each of us means what is useful in our lives.” And Aristotle “shows that economics refers to the home management of the slave master”, and divides economic activity into two spheres: a) *economics* – the activity of producing needed values for the management of the slave master’s establishment b) *chrematistics* – the circulation of good with the purpose of obtaining wealth<sup>14</sup>. He also reflects on *goods trading*<sup>15</sup>, which does not have enrichment as a purpose, rather the gathering of needed goods for slave masters. “He realizes that, beyond the fact that men – free men, slaves not being taken into account – desire a beautiful economic life, this taking course objectively by harsh and ruthless laws for some<sup>16</sup>”.

Much later, in 1615, Antoine de Montchrestien will impose the expression “political economics” (introducing the state as an actor of the drama), only for Thomas Hobbes, later, in 1651, to point out that “*homo homini lupus est*”. Since Adam Smith (1776), economic schools are surpassing one another, all of them offering theoretical basis and practical advices for obtaining the welfare for men.

Without wanting to set a hierarchy, we state that: “free trade”, which became liberalism, and then neo-liberalism (today in power), Marxism, with socialist and communist systems as an application, protectionism Keynes-ism, sustainable development, etc. Tourism shows up later in economic literature, together with “ford-ism” and will continue with “post-Ford-ism<sup>17</sup>”

Recapitulation:

- In the beginning, economics was designed to maintain human life. But for “citizens” – slaves being talking tools for the realization of this desiderate!!!
- Then commerce as speculation was separated, as a means obtain wealth, this culminating – in the classical period – with exchanges that have begun with great geographical discoveries: glass tiaras for gold, linen for spice or slaves for bullets.
- Economics, even for “citizens”, was a territory of risk: *homo homini lupus est!*
- Economical theories (whether Marxism, whether free trade, durable development, etc.) failed in practice, not realizing the non multus sed multa principle.

Still, even if theory had its failures, world economics has reached unimaginable peaks even decades ago. If a few hundred years ago, food production was not enough to ensure life, today, *overall*, the world economy produced in 200 a 34109900 mil. USD GDP (price level of 1995) , meaning 5632 USD/capita, of which 5% in agriculture, 31% in industry and 64% in services. World economy feeds 6211 mil. Inhabitants (2002 estimate), producing an average of 2074 mil. Metric tons of cereals (1996-1998), 215 mil. Metric tons of meat, 628 mil. Metric tons of root plants, meaning 334 kg of cereals, 101 kg of root plants and 34, 6 kg meat per capita, consuming in 1999 9702 mil. Metric tons equivalent oil (million tons) meaning 1623 kgep per capita, of which 7689 mil. Million tons from fossil resources, 602 mil. nuclear energy, 222 mil. hydro-energy, 1098 mil. of redeemable resources, this becomes 244 tmep for 1 million USD or 309 kgep household consumption per capita. A consumption level of 3414000 mil. cm. of water of which 71% in agriculture, 20 % in industry and 9% in household consumption. This ensured in 1997 2782 kilocalories per capita, of which 441 from animal products and 650 cm. of water per capita.

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12 economics from “oikos” (economics, in the sense of organization), “nomos” (principles)

13 quotes after Popescu, D. – *Istoria Gândirii Economice – din antichitate până la sfârșitul secolului XX* – Sibiu-București, Ed. Continent.

14 ibidem

15 ibidem

16 our underlining

17 see anexa 5

Total world exports rise at 5984 billion USD of which mining products 790 billion, 616 billion fuels and 111 billion ore; manufactured products of which: 130 billion steel, 595 billion. chemical products, 432 billion. goods in production, 2453 transport equipment, 566 billion cars, and 828 billion. stationary equipment and telecommunication equipment, 1061 billion. other equipments and transportation, 147 billion. textiles, 196 billion clothing, etc. This allowed for life expectancy to rise at 66 (2000 - 2005) years, this allowed for 86% of men and 76% of women to know how to read and write<sup>18</sup>, etc

But world economy is set in motion by people and that is why it is profoundly unbalanced, regarding both production and consumption of wealth. Despite its economic force, mankind had, in 1995 – 1997<sup>19</sup>, had 1,2% HIV infected, 29% of children were overweight, child mortality is 83/1000 (under 5 years of age), “the poverty line” is set at under 1USD/day, or under 2USD/day, poverty is still endemic and people still die of hunger.

Water access is ensured for only 72% of the population: 90% urban areas, 62% rural areas, access to sanitation is 44%, meaning 85% urban and 40% rural. The most powerful sector of the economy is the one for the production of weapons; war is for most people a daily reality. We have severe poverty and opulent richness.

Rank	Economy	Billions USD	Billion USD recalculated trough index of consumption power
1	SUA	10417	10138
2	Japan	3979	3261
3	Germany	1976	2172
4	Great Britain	1552	1511
5	France	1410	1554
6	China	1237	5732
7	Italy	1181	1481
8	Canada	716	902
9	Spain	650	852
10	Mexico	637	879
11	India	515	2695
12	Korea	477	784
13	Brazil	452	1311
14	Holland	414	Indonesia = 664
15	Australia	411	544
16	Russia	347	1142
....	....	....	....
178	Tonga	0,138	0,644
179	Palau	0,130	St Vincent = 0,626
180	Marshall Islands	0,108	Vanuatu = 0,577
181	Sao Tome and Principe	0,500	St Kitts = 0,499
182	Kinbati	0,440	Dominica = 0,378

Source: World Trade Organization – Statistics 2002

We have chosen to show this table to point out the extremes, but also to state an encouraging fact: the most populated countries, now and in perspective, are on top, which is something hopeful! But it also indicates an anomaly: inequity which leads to big differences between the two columns of numbers, causes of which will be analyzed in the next chapter.

We pointed out this development of economics and the world economy to sustain the following affirmations:

18 Source: United Nation Population Division, World Bank, UNCTAD, WTO – International Trade Statistics 2002

19 Latest available data



1. **Today's economy** is no longer oriented towards the produces, towards production means. It surpassed the state of lacking and **has turned towards the consumer**. He decided what, when and how much should be produced. The economic system is adaptable enough so that the “marketing” and “management” may make available anything, anytime for the CONSUMER. Still, one must have a reserve: for the consumer from rich countries. The inhabitants of poor regions (poor in resources: financial, technical – industrial infrastructure, qualified labor force, belonging to global economic circuits, etc.) can't even dream of this. *They have no purchasing power*; ergo they are uninteresting for a market orientated system. So, *if there isn't a market in a certain place, that place does not exist!* This subject is known well-enough. We had to mention it tough because tourism exists only for those with purchasing power. For the rest, it is “another story”, which we shall see soon.

2. Economics has changed its meanings. **Today's economic system is exclusively oriented towards profit**. It makes no shame in stating it out loud. Economic activity develops only in places and as long as it brings maximum profit. As soon as another place or area appeared, in which profits may be bigger, the old location is abandoned, regardless of “social costs”. This not only leads to social tensions, but reshapes the economic environment by the look of the “profit”, which is often against man. Let's just consider modern weapons! We shall see that, when profit risks diminishment, the system tends to use “unorthodox” means, like mass tourism, only to maintain it and expand it, making it “more persuasive than the Jesuits”.

3. **Mankind's existence hangs under a sign of force, of power**. For disobedience, Adam was banished from Heaven, Cain killed Abel due to jealous, offerings were made to the gods to praise them....Moreover, the saving of energy which is characteristic to the human race (popularly named laziness) lead to replacing work with force as often as possible. Force materialized itself in multiple forms. Here is a “possible scale” of force usage in order for the strong to gather existing goods, produced by another: the cannibal ate his prisoner because he had no use for him<sup>20</sup>, then the agricultural warrior, to avoid cleaning the battlefield of bodies, turned prisoners into slaves, with the right of life and death over them, the lord ordered the peasant to work his land, the industrialist called him worker for the right to work in his factory, the rich called him poor and closed his access towards means of enrichment, leaving him with means for mere survival, etc. Then, when the weak one protested (rebelled, stopped working, etc), it was also the force that intervened. Until rich countries realized that brute force has poor results and far better results are obtainable by new means of working in the postindustrial era: persuasion, social manipulation, etc. Already having massive accumulations, rich countries decided that the effort for a high productivity of “modern slaves” to be rewarded by a high life-standard, compared to other people in the same situation, but from different countries, and not being distinguished, at least at a first glance, from the masters. The democratic system added hope that anybody has equal chances<sup>21</sup>, and the abundance of goods and services, saturation: the richness of the wealthy does not create hate or envy, at least the desire to imitate them. Force was imposed by “vaccination”. *A new form of slavery* prevailed, by persuasion, by the modern version of “panem et circense”, as we shall see.

4. Man's chance or curse is perhaps curiosity, damnation to knowledge. It is the reason for man's banishment from heaven. Tons of inks have streamed and thousands of hours of film have been spent on the scientific – technological revolution. We shall not analyze it: we consider that the reader has enough information. We pose however another question: what came first? Jules Verne's dream regarding moon travels, Einstein's  $E=mc^2$  theory or the atomic bomb or moon

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20 see theories of Freud, Jung and their followers regarding the belief of obtaining the spirit of the one you ate – man or animal for a different explanation

21 “...the Turkish regime, wrote N. Iorga, is very democratic: a lumberjack could become a Great Shah, and as soon as the sultan did not want him anymore, he would return to chopping wood”. But that is not democracy, rather Asian despotism. Quote after Alexandrescu, S. 1998. Paradoxul român. București. Ed Univers. Actual democracy does not differ from the ancient one: then, democracy was for citizens, not for “slaves”. Today it is supposed to be the same for all, but numbers impose. Although, one needs “resources” to obtain “majority”, resources which are not available for most of the workers.

landing? **So, the technical revolution or the cultural one?** Both of them required massive accumulations, and great sacrifices. But the “snowball” effect, once in motion, may prove to be enthusiastic today, but tomorrow, it may be a cancerous process, close to its final stage. Culture’s role is paramount for tourism; it is “the bed” on which tourist circulation functions.

**5. a new force in an old shape:** this is the way we can characterize the world’s economic system. a) on the same planet, side by side, we have genetic specialists, space scientists or warfare technicians, but also aborigines considered savages in the Amazonian forest or Borneo, each with its own technique. b) severe poverty, lack of minimum resources to ensure survival lives together with over-abundance. c) Religious differences are daily elements, even as wars, like in the dark ages. d) Analphabetism, ignorance, superstition live together with scientific lucidity. e) 658 billionaires in the world have as much as 2, 3 billion poor people. And the list may go on...

6. Perhaps the biggest omission of the *civil* economic science is **war ignorance**. In a world dominated by Mars, which allocates a major part of its resources for this, a large period of its history is war, and the last have been world wars. A war means preparation, economies are militarized, and, after that, it is “reconverted” to civil production. “Laic” economic literature (not the one from military institutions, usually inaccessible to civilians) doesn’t consider these periods, although they mark the course of history with impact. It is seldom that, after the Cold war for example, we see an abundance of materials regarding “transition” towards a market economy, but perhaps, not by chance. Although apparently incompatible, war and tourism have adapted, as we shall see, to new shapes, in accordance with contemporary moral values.

7. A final affirmation: the economic system, economic science, information and labor in this field, all would be pointless if we are to forget the **destination: humans**. But it is precisely they who have been changing, tossed in a strange process which shook not only life on earth, but rather life itself. But who are these people that have determined this direction and continue to follow it? Because they are either genius or mad! The answer will follow.

### 1.2.1 Terrorism: major short those changes?

We have already shown that the two restrictions acknowledged by tourism theory, meaning spare time and money, are neither the only nor the deciding factors in tourist circulation. Recent events show a new major restriction: terrorism<sup>22</sup>.

Since September 11<sup>th</sup> 2001, the world took a strange turn; often it is said that the world will never be the same again<sup>23</sup>. Maybe the closeness to these events does not allow for a historical

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22 It is not singular. Mad cow disease had worse effects perhaps. "People in the traveling business have suffered more than actual farmers whose cattle were infected. Only at the beginning of the season (spring of 2001 a.n.) we lost more than 186 million guildens. Farmers, in the mean time, received compensation for their losses... Perhaps all farm holidays and not only, will be compromised" stated Tim Bolweg – president of RECON (Association of Recreational Entrepreneurs of Holland) in In-sight vol. 2 nr. 3 September 2001. But, perhaps, the mad cow disease could not have been so spectacularly transmitted, at maximum audience television time, at top hours, although man and financial losses are very high, even tenebrous – according to some opinions! Same goes for SARS.

23 See also Popescu, D. – *Un debut fatidic pentru economia secolului XXI? Terorismul: între aparențe și esențe* – în Revista Economică nr. 3(6) 2001 – Chișinău Sibiu 2001

24 see another vision, which confirms and proves our opinion Meyssan, T. - *Cumplita Minciună* – Editura Antet XX Press 2002, original title *L'effroyable imposture* Edition Carnot, 2002

perspective of the phenomenon<sup>24</sup>. One thing is certain: mankind is boiling: nobody can trust no one and nothing.

Frankfurter Allgemeine Zeitung wrote, on September 14<sup>th</sup> 2001 that the base of terrorism is means of mass-media. Terrorist acts have always existed, but they become stressful, in the global world of instant communications: they are the ones that create, maintain and help terrorism. If a terrorist attack is unknown by the whole world, the fact would go unnoticed. But live television broadcast of the September 11<sup>th</sup> attacks and of those that followed created the psychosis surrounding the actual and current phenomenon. Not to take into account Bin Laden's statements after the aerial attack on Afghanistan. Freedom, freedom of speech has its costs, and they are high!

We wish to enlighten two ideas:

- Tourist circulation had been dealt a heavy blow. On a short term, it dropped very rapidly. On the medium term it will suffer major changes. It is obvious that in the global world, man will not live without aerial transportation. But the terrorist threat will change the way people will travel. First of all, massive investments will be required in securing transportation, which means massive investments in which the state must be involved, and of which transnational structures will benefit. After this, traveling itself will change: the tourist must take on a risk, which will give him a different experience. The result will be a new type of holiday, and maybe a major reorientation in destinations. On the short term for instance, it is obvious that Muslim countries with unstable political systems will suffer.

We shall probably see a reorientation in choosing transport means. Trains and cars may gain ground. Not that they are safer – terrorist threats remain the same – but because public belief perceives them as such. Then, it is probable that the amount of holidays spent at medium or small distance from home will increase, holidays in our own country or in a multinational union. But it is certain that main tourist fluxes will remain *between* developed countries.

It is possible to see the population will become accustomed to the terrorist threat it time, because the danger is the same both at home and at a resort (at least for inhabitants of grand metropolis).

-The mass-media function for tourism will be stronger. As the population realizes the role of traditional means (radio, television, press, etc.) in maintaining terrorist pressure, it is expected that people will want irrefutable evidence. For example: businessmen will have to travel; traveling conditions will differ, costs will be high. But they will trust direct information more, from a partner in the country where he has to travel or from a colleague who has just returned from there, rather than to trust papers. So, the role and importance of tour-operators, tourism agencies will increase, because they will become eligible councilors.

Rising the alert level in the U.S.A from yellow to orange, coincides, surprisingly, with the introduction of special antiterrorism measures on cargo planes, which involves massive costs and makes “next day” deliveries redundant, due to prohibitive costs. At the same time, American officials banned access for planes without armed guards, professionals, with direct effects on transportation costs. And allocated budgets for the winter holidays have been basically unlimited, acting as a new impulse for the USD and the American economy.

In all cases tough, we must admit that we have a global phenomenon which is located throughout the globe but which doesn't affect the whole population, rather only a few nations. For Romania it is essential not to be seen by potential tourists from this area: the rest is political speculation!

## **1.2 The techno – scientific and cultural revolutions. Their effects on human civilization and their impact on economic systems.**

“Production” is a rather ambiguous term in the economic literature. Most studies and debates are based on what we call “extractive industries”, by which we understand all areas which

realize a transformation of matter into products, whether we are talking about raw materials, of the soil by agricultural activity, or changing products of human labor like special steels, integrated circuits, etc. More and more frequently, we talk about tertiary industry, service industry, know-how, intelligence commerce etc.

After the WW2, once science was involved in all aspects of human life, we see a radical change in the entire human economy system. Cultural and techno-scientific revolutions<sup>25</sup>, especially now, in stages like “information” and “organization”, produced deep mutations, in the process of gain by human beings of resources. Mankind, in order to develop and perpetuate, reached that phase of the labor process, where man meets nature, a cognitive and technical ensemble which is so complex, that it has begun to have its own internal autonomy, its own entropy, so that the “production” of elements needed for survival and development is not limited only to transforming raw resources into goods, but, by feed-back, it extends to the major modification of human nature itself, including the nature partially created by man, and also domain traditionally considered as “supra-structure”: science, culture, social sciences, education, etc. It is unthinkable today to have top-rated activities without the presence of a labor-force which has not included within itself a large amount of knowledge, technical and scientific knowledge, cultural knowledge, from man’s cognitive created “nature”.

Unfortunately, the sum of economic research bows down on “classical” production, be it industrial or agricultural, transportation, etc. which means that it is centered on present or past structures of economic life. We have seldom apparitions of works regarding the tertiary sector, its future structure, although most prognosis studies foresee a spectacular growth and a high promotion of this sector in tomorrow’s life<sup>26</sup>.

“It is symptomatic, for the confusion that reigns over economic theories regarding services, the fact that even now disputes continue regarding the unproductive character of services”<sup>27</sup>. Mankind is still under the shock of realizing the economic, ideological and emotional strength that the immaterial has to offer. “The controversy is still fueled by the lack of information and especially by the inconsistent character of visualizing this new economic domain – the immaterial”<sup>28</sup>. And, we underline, the concept of the whole immaterial sector – of which tourism is a part of – because, by adding the values of invisible international transactions, international cash – flows, we have as a result the volume of international immaterial flows, which is 50 – 70 times larger than international goods commerce<sup>29</sup>. The contribution of the service sector in creating GDP is currently averaged at 67% in OECD member states, and even in developing countries, with a 610 USD/capita income it is at a 38% value. The percentage of invisible flows in world trading was 37.4% in 1997<sup>30</sup>. International services transactions represent a constant amount of 20% from the total world commerce.

For millennia, man has continuously fought; he fought nature in order to adapt it to his needs. *In the last few decades, we are witnessing a new process, in which man builds his own nature, which replaces his old nature – “the natural one”. Both as an environment as well as an interior universe.* This I believe to be the main characteristic of the times we live. Economics

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25 The term order may be surprising: it is deliberate and we promote it. We’re in the known situation “what came first? The chicken or the egg?”. Same goes here: what came first: the thought, mutation in the human mind (culture) or the technical support which gives “life” to the mind flight (science, technique)

26 see also Rotariu, I. – graduation paper for a post university course tutored by Vacărel, I. 1986 published as: “Probleme actuale ale relațiilor economice, valutare și fiscale internaționale - Exportul Intern“, Editat de Intertourism - Sibiu 2000

27 Cristiana Cristureanu – *Economia imaterialului: tranzacțiile internaționale cu servicii*, 1999. București. Ed. All Beck pag.5

28 idem pag. 2

29 Bretob Th. – *La dimension invisible*, Ed. Odile Jacob, 1994

30 Statistic Yearbook of the World Bank 1999

continues to transform high entropy into low entropy<sup>31</sup>, but in a different way and with different purpose. This process involves extraordinary responsibilities.

There are many works which tried to foresee the future of mankind. Some pessimistic, even frightening, others optimistic or prudent. Of these, I mention only the book “Mankind at crossroads”, of M.Mesarovic and E.Pestel<sup>32</sup>, due to a high degree of validity in time. But even with all the equations being taken into account, many times the forest is not foreseeable due to the trees, reality delays those terms. New phenomena, of substance, specific processes determine the development of economic life without being among those estimated. Let us just consider global terrorism!

The theme of our work seems, at a first glance, a lapalissade<sup>33</sup> for most economists: so often the terms “globalization” and “tourism” are being used these days! Undertaken research confirms this. But it has also brought into analysis and reflection unsuspected aspects, some of which we will submit to you now.

We shall stop to consider only three of them:

### 1.3 Fordism: The dawn of a new economy

Economic theories are not born from nothingness. Most of them start from past or contemporary realities. Others wish to connect today’s reality for a better tomorrow. Few are purely theoretical, “art for art”. And theory has several issues when applied into practice.

The great geographical conquests (better transport and different trading, basis of enrichment, of accumulation, including for the queen of England, which would set the foundations for a giant empire, still alive by the existence of the Commonwealth), were doubled during the industrial revolution by harsh exploitation of their own populace, for which an entire literature stands testimony. One thing is certain: in all that time, the economy was still in a patriarchal state; despite large production in several manufactures and intense commerce (Romans as well had workshops with thousands of slaves, mines or harvesting grounds, which were not very different from modern factories). Two arguments:

- If you needed pottery, you thought of a potter, a glassworker or iron craftsman. If you wanted to travel, you would visit the local transporter. Even if production was no longer home made, but created in factories! You bought what you found, and if it were to break, usually you would have to buy it whole again.
- Primitive accumulation, whether in Antiquity, the Middle Ages or the Industrialization age was based on a simple equation: the employer paid as much as the worker needed in order to survive and to feed his family. This ratio was closely watched.<sup>34</sup> Without any “waste” for the worker.

Basically everything was hand made, even if maybe with the help of machines. And this lasted for 800 years of the past millennium. A manufacture the size of General Motors would have been completely without sense for Napoleon in 1812 or Wilhelm the Conqueror in 1066.

But the European Americans, restless and inventive, supported by the U.S government, have passed from the construction of vehicles of great precision to fabricating weapons with changeable part, being identical to the originals<sup>35</sup>. Colt pistols gained American trust. The English quickly adopted the system. Mass production was born!

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31 see also Georgescu N. Roegen - *Legea entropiei și procesul economic*, Ed. Politică, București, 1996.

32 See also, for the same idea...“*Galaxia Gutemberg*” by M. McLuhan, “*Megatendințe*”a by J. Naisbitt etc. till a Tofler, etc.

33 Lapalissade: obvious fact. It comes from French, from the text on the Knight Lapalisse’s cross, with an obvious meaning: "Lapalisse the lord died just here, One moment before he passed away, the Senior was still alive"

34 see also classic theory starting with W. Petty

35 Hounshell, H – *From the American System to Mass production, 1800-1932*”

The quality jump, although only a technical one, had to be doubled by a quantity jump. The precision of crafting machines became so great, that in Detroit, producers were stepping on each other's toes, with hot minds, in order to become rich. The manufacturing of bicycles was booming. Henry Ford joined the auto industry, still in an incipient stage at that time, since 1890. He gathered a good team around him. In 1906, he takes control of the entire factory and produces the N Model which he wanted to sell for 500 USD. But requests were low, middle class income was low. The fabrication rhythm was also insufficiently developed for mass production. The assembly-line idea was taken from slaughterhouses in the area and needed some time before it could be put into effect. In 1913, in a top secret fashion, the enterprise reached a 10 car simultaneous capacity on their assembly line. On April 30<sup>th</sup> 1914, there were 1212 cars assembled in eight hours of work, meaning an average of 1 hour and 33 minutes. And the snowball was rolling: 168200 cars in 1914, 248307 pieces in 1915 and 1.8 million cars in 1923. The T model, at 260USD/car. The middle class was given access to a car. Ford had put America on wheels. Ford does not admit to have been inspired by Taylorism, but these would have been known to him.

Anyway, the assembly line obliged decomposition by phases, by simple tasks which a worker may learn fast, in order to use the large mass of immigrants in the area, but also to maintain the rhythm for the assembly lines, at which over 30000 workers were used. The fluctuation was enormous, the keyword was "faster", in English, Polish, Italian, German. A solution had to be found.

But it was not the assembly line which changed the foundations of world economy today, making a mark on world economics. On January 5<sup>th</sup> 1914 Ford makes a decision which will infuriate his rivals, but which will reshape economy: he increases his workers' wages at 5 USD/day, which allows a worker to also buy a car, this being the equivalent of 52 working days. In our opinion, this was the **element which created mass production in the U.S.A.**, and then Europe. *The worker did not receive as a wage only for buying bare necessities, but also a substantial plus which artificially increased his purchasing power compared to the past.* **Paying over the simple equivalent of labor force reproduction** lead to the calming of social tensions, which lead to a standard of living above the traditional level of the industrial age and before, which lead to mass consumption. The worker did not had to be pushed to work, he did it alone, in order to quench his greed and pride. And mass brought **maximum profit**, but this time **as mass**.

Ford became a legend as Bill Gates is today. Maybe the "Ford Method" would have been a solitary accomplishment. Ford's genius, or that of those close to him, made him prevail. Even now there is an anecdote regarding Ford's answer to the question regarding his success recipe: "his horse" was J.B. White: the Detroit office chief of the Wall Street Journal<sup>36</sup>! Precisely the usage of the press, which had already reached mass production due to the rotary press, brought newspaper prices to a mere nothing: **it was this that spread and fueled the American spirit, transforming the average American into a mass consumer; being nomads, the car replaced the horse.** The example will be followed by Alfred Sloane and GM under the motto "for every pocket and every need". And from here on, all the rest that followed: oil, roads and highways, tourism, and later the consumption society.

The Fordist theory is known. So far, we have not found the precise element which generated the quality leap of Fordism: **the deliberate growth of the purchasing power.** In Annex 5 we offer the main characteristics of Fordism, in Walter Briggs's vision (2000): mass production, national state, vertical hierarchy, social classes, standardization, planning, rules – in one word, certainty.

A new impulse will be given in 1951, when Diners Club will launch the "credit card" (since 1950 both Diners Club and American Express launched the "debit" card, expense card) for 200 clients which could use them in 27 restaurants in New York!?, which will later amplify, as a snowball, the credit in American and later, world economy. So, in developed countries, one may spend over 10 times his normal amount of money. Add symbolic financial means to this, which

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36 picked up from the Ford Museum of Highland Park, Detroit.

travel on major information networks of financial markets. The situation is grossly similar to that of '29, but far graver, because symbols nowadays have a smaller coverage in real economy, as a solvable demand. Furthermore, symbol economy begins to become independent and to have its own entropy. Ergo, the “available” funds of the population increase, but also “investment funds”: and as a result: expansion – among others – of the tourist activity connected to developed countries.<sup>37</sup>

And the new economy’s snowball effect, set in motion after the war, against Keynes’s advices, does not stop here. Economists from former socialist states were terrorized by the size of industry stocks, one of the causes which “maintained” planned economy at a standstill. The same element was illustrated by western commentators in order to show the market economy’s superiority. Stocks mean wasted work, wasted low entropy. A closer look on numbers in the American economy or other developed economies, with mass consumption, reveals gigantic stocks in distribution networks, from supermarkets to convenience stores. Without actually seeing them, numbers remain numbers! If regarding alimentation products we are being faced with pure waste, despite industrial outputs of aliments which surpass the short warranty time span, industrial goods are harder to recycle and to “recuperate”, especially due to higher values. Still, what happens to these giant stocks? The solution would be: move them towards the population, purchasing over needs and purchasing power levels, finally, throwing them at the **greedy consumer, able to work hard, in order to satisfy his pleasure to buy, only to throw away afterwards**. What remains is “pleasure”. The phenomenon is harder to notice, although it has the same Ford idea: payment surpasses needs, mass consumption, and maximum mass profit, as a mass (quantity).

Postmodernist Post-ford-ism has other characteristics: production is oriented towards the consumer, globalization, fragmented society, life style, not goods, symbolic value, improvisation, decrease of regulations, uncertainty. But the economic system has the same purpose: maximum profit. See also Annex 5.

Another possible direction to deepen research, in order to illustrate the atypical behavior of a real phenomenon compared to “theory standards” could be the following:

The “productive” systems of the postindustrial society have such a high performance level, that a small number of the population could ensure the needed amount of goods for a plentiful life of the societies of those respective countries, and also a sufficient surplus for exporting, which could cover the normal amount needed for the entire planet. Still, this surplus is physically limited. Surpassing moral issues, even Christian pity, profit, as an economic imperative, prevails. As such, for example, exploitable agricultural areas in the E.U. are strictly limited in order to maintain *an acceptable production output which will not lead to overproduction and thus price collapse*, a situation which is hard to control and imagine now, when “symbolic economy” is calculated as a multiple of the “physical economy”. The resulted unemployment must be absorbed, one way or another. The development of the service sector is the required mechanism.

So it has come to situations like this: at the same ranch, a generation keeps track of classical agriculture, highly productive, and the other generation has to head towards services, like agro-tourism. The E.U. dispatches considerable funds for such conversions. Creating “tourist destinations” areas, becomes very laborious but also paramount. An intense persuasion work for the population is closely coordinated. This has begun with inoculating the idea that travel is habitual: in the surroundings (considered that the average trip is a 65 miles range), especially during weekends. A special infrastructure was sustained and developed, which would imply low costs (camping spaces, van spaces, cycle-tourism, walks, trips, etc.). This explains why 80% of tourist circulation is local or national at best<sup>38</sup>. A major part of the “available” labor force is employed in order to maintain tourist activity: creating the tourist destinations, utility maintenance, sport and free-time, promotion services, information, guidance, etc.

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37 See also Răzvan Șerbu - *Utilizarea cardurilor de plată: exigențe, posibilități, efecte*, Ed. Continent 2000

38 domestic in the specific language, unlike incoming și outgoing

This phenomenon is even more visible in countries with high incomes per capita and developed economies: the Netherlands, Denmark, Sweden, Switzerland, and Great Britain. But these are also countries which make considerable efforts in order to help eastern countries, especially in developing agro-tourism. Agro-tourism incomes are not high, but they allow an acceptable income and especially a permanent occupation for labor force, although tourist circulation is based on seasonal patterns (extra-seasonal periods stand for conservation, modernization, repairing and reopening the facilities). There is a legitimate question here: **why this interest and effort, especially from people accustomed to working and profit**, for which practical help takes the shape of philanthropy or sponsorship.

We have reached the conclusion that Europe's demographical evolution has lead both categories of countries to the same position: a decrease of population on the medium and long terms and a growing emigrational pressure, especially from outside Europe. Furthermore, once the E.U. enlargement process has begun, a progressive modernizing process has begun for adherent economies. This means more performing economies, similar to those of Western Europe, which also implies a close future level of unemployment. And of course, we must add, in order to maintain the example, in the agricultural domain, the need for re-conversion, or professional reorientation of a large part of the population. In Romania, nearly 50% of the population inhabits rural areas, and most of their income comes from there as well. Or as, an effect of the integration process, only a small part of the population will have agriculture as an occupation, industrial agriculture to be more precise. For Romania, we could take the following percentage into consideration  $50\% - 7 - 8\% = 42 - 43\%$  of the population will be affected by causes of integration. Even if only half of it will have to find a new activity, we are faced with impressive numbers; we are talking about millions of citizens. Of course, this process is not instantaneous. There will be, the same way as there have been for other adherent countries, several migration stages, first limited and for short periods, then effective emigration, as economic adjustments take place and a new national economic configuration unfolds. It is however certain that unemployment bonuses will not be used, as the social risk would be too great, etc. The labor force must be kept under pressure, trained for effort.

The deeply rooted idea in Romanian minds is that our country has a natural basis which allows for ecological tourism, but ecological agriculture is false. The standards for including them as "ecological" are too high, unknown by the majority of Romanians and are contradicted by realities. The deterioration degree of bio-systems is far higher than the one in Western countries where ample ecologic activities took place. It is sufficient to remember the high amount of garbage in the vicinity of Romanian roads compared to roads in the West or the cleansing of the Rhine, and the real status of our waters. Here are large open areas for the future unemployed. And the situation, taking differences into account, is similar to other adherent countries. **How these activities by will financed?** A prime source are communitarian pre-adhesion, adhesion, reconverting funds, etc. (meant to "pay for social peace" and union adherence) to which co-financing will be added. Then, as the new post-integration economy takes shape, it will have to finance the occupation of the "relatively available" labor force in order to avoid an unemployment level not desired by the E.U. Agro-tourism is one of the ways. Another way is the development of bureaucracy, but only if it is an efficient bureaucracy, as it exists, functions and develops in developed countries, ensuring both jobs, so social peace but also the correct potency of the social and economical act, finally maximizing profit and at the same time, maximizing the pleasure of living for the entire population.

We may thus say that integration has causes, operating modes and purpose of which we have not talked about so far. They derive from the intimate unity of Europe, of the European way of thinking and of living, of the requirements of the technical and economic and cultural way of the contemporary society that acts, after an attentive analysis, as a whole. Research may be extended to other domains, with similar results; new visions regarding postfordism, contemporary economy.



#### 1.4 The complete economy: the peace – war – peace cycle. A horizontal cycle?

“No other subject is as easily ignored by us, those lucky enough to live in peace. After all, we all have our own private wars for survival: earning our daily bread, caring for our family, fighting disease. Still, the way we fight intimate wars, pacific, the way we live our daily lives, is profoundly influenced by real wars, and even imaginary ones, from the present, past or future”<sup>39</sup>

It comes as a big surprise that the “civil” economic science does not deal with times of war from mankind’s history, or even from contemporary times. Military studies are either ignored or inaccessible to “laic” economists. Or, on a time scale, war periods may be as extended as periods of peace.

History shows us, that the major technical findings are linked by the art of war. We do not know if *Homo sapiens* first used tools to obtain food or to defend himself. However, it is certain that the last three centuries have been under the sign of Mars, regarding technical progress. Only after they ceased to be a military secret, discoveries were extended to the civil domain. Since the fall of Newton’s apple, the guillotine and then sewing machines; first, steam warships, only after commercial fleets; first military aircrafts, only after that civil flights appeared; first Hiroshima, and only after the electric power-plant, etc. etc. We must mention that the Cold War led to the NASA program, with a military component, at the actual “star wars” level, more pressing perhaps than scientific research or moon landing – a massive investment whose “research residuum”, applied into civil economics, would change the world: plastic masses, nylon fiber, chemicals, refrigeration techniques, etc. We can only speculate on the effects of the arms race in the USSR, China or Israel.

Classical economic theory analyzes production cycles, with their soaring, maximum development and later, decline phases. There are fewer studies that are concerned with the peace-war-peace cycle. The phenomenon is present since the beginning, but was limited to the existence of a community. Once national states developed, this cycle had to emit from one state to another, where as, due to the two world wars, to become a cycle for the economy at a global level.

The pre-war period was one of changes regarding propriety; governments took control of the economy to accumulate required resources to do battle. Militarizing the economy meant free markets were put on deep freeze, the state took control of the economy, dispatching a major part of the budget for military purpose, the subordination of the labor force in accordance with the war effort. These events were not as visible as they were in the case of the two World Wars, when the effort was concentrated and felt by most of the world’s population.

War economy has its laws. Economic geniuses have risen in belligerent states both during preparations for war, at the beginning of the conflict or more especially during the war, when success on the battlefield depended on economic victory. At this time social leaps took place, like after the Second World War, when, in order to obtain victory and mobilizing the population, great promises were made, virtually impossible before the war (reforms in agriculture, emancipation, access to abundance, freedom from under capitalist/communist regimes, etc.).

After the war, besides reconstruction, substantially aided by the passage of military techniques towards the civil economy, we have a major process regarding propriety. State economy must be “democratized”, process obtained by privatization, an essential process for reactivating free markets, free competition, the only thing capable to bring wellness. The process has particular characteristics, varying from country to country.

The effort of national economies regarding the French – Prussian war and then the two World Wars may be illustrated by:

Number of working hours 1870 - 1998

Country	1870	1913	1950	1973	1990	1998	1950	2000

39 Toffler, A., H. – *Război și antirăzboi – supraviețuirea în zorii secolului XXI*, Editura Antete 1995

Austria	6096	855	6353	5618	5425	5640	6.9	8.1
Belgium	6346	8794	7628	7016	6849	5905	8.6	10.3
Denmark	2425	3260	4516	4226	4377	4481	4.2	5.3
Finland	2312	342	3987	3745	4148	3675	4	5.2
France	52421	50137	37871	37960	34831	34108	41.8	59.3
Germany	45979	78380	66573	64019	57641	54971	68.4	82.3
Italy	39740	44745	37693	36605	38436	36661	47.1	57.5
Holland	4096	6070	9097	9018	8512	10369	10.1	15.9
Norway	2079	2547	3000	2884	2964	3000	3.2	4.5
Sweden	5663	6734	6676	6094	6733	6295	7	8.9
Switzerland	3883	4996	4796	6325	5858	6141	4.7	7.2
Great Britain	39260	52176	43859	52328	44104	40383	49.8	58.7
Subtotal Western Europe	210242	269318	232049	225838	219327	211828	255.8	523.2
Ireland			2745	2145	1914	2490	3	3.8
Spain			25656	28017	25019	25525	28	40.8
Australia	1855	5028	6358	9971	13058	14198	8.2	19.2
Canada	3752	7851	9894	15811	22290	23924	13.8	30.8
USA	55029	66644	77289	107389	121918	114518	157.8	285
Japan	55029	66644	77289	107389	121918	114518	83.6	127
Argentina			13874	18766	22074	24853	17.1	37.1
Brazil			36056	69512	105427	117761	54	171.8
Chile			4990	5658	8787	10938	6.1	15.2
Columbia			8930	14165	2161	24788	12.6	42.1
Mexico			18882	31286	51304	65339	27.8	99
Peru			6127	9116	14371	18189	7.6	26
Venezuela			3423	6559	11068	14900	5.1	24.3

Source: The World Economy: a Millennium Perspective, Maddison (OCDE 2001)

#### Total government expenses

As GDP percentage in current prices, Western Europe, United States and Japan, 1913-1999

Country	1913	1938	1950	1973	1999
France	8,9	23,2	27,6	38,8	52,4
Germany	17,7	42,4	30,4	42,0	47,6
Holland	8,2	21,7	26,8	45,5	43,8
Great Britain	13,3	28,8	34,2	41,5	39,7
Average	12,0	29,0	29,8	42,0	45,9
United States	8,0	19,8	21,4	31,1	30,1
Japan	14,2	30,3	19,8	22,9	38,1

Source: The World Economy: a Millennium Perspective, Maddison (OCDE 2001) pag. 131

It would be very interesting to analyze these indicators in detail. Unfortunately, “ruptures” in statistical data makes that impossible. But even so: in government expense structure, at the “military expenses” level statistics have an “x” marked due to unavailable data of grand weapons producers.

The most interesting feature is the cycle after World War Two: on one side, in the “socialist concentration camp”, closed pretty by the Iron Curtain (1968), a passage towards a new system is seen, and on the other hand, in western democracies, after blocking communism expansion and maintaining it between established limits imposed by political agreements, peace treaties, a comeback towards a market economy is observed, due to successive privatizations, some still in progress. The exception inside states under soviet occupation, where the economy became state owned, meaning the development of industry, especially heavy, polluting industry, a large consumer of inferior energy, with low labor force costs, in the Russian spirit established by Peter the Great, the creation of enormous stocks, especially of raw materials, would cease to be at

Malta. But since then, the Cold War would change the classical evolution of economic re-conversion towards a peaceful economy.

The peace-war-peace cycle does not appear as important in terms of spoils of war, rather a “changing of linen” of societies, whether they were national states or larger or smaller collectivities. The study of the whole economic cycle, including war periods, may appear strange to the academic researcher. But even he knows that warlords think differently.

Clausewitz wrote on the “absolute war” and said: “war is simply the continuation of politics by other means” and saw the army as an instrument of political strategy. The German general Erich Ludendorff enlarged the concept to “total war”. Nazi theoreticians have later extended the ideas of total war, denying the reality of peace itself and claiming that peace is nothing more than a period of preparation for war – “the war between wars”. Marshall Shaposnikov, which lead the Frunze Academy from 1925 – 1945 stated that “if war is nothing more than the continuance of politics by other means, for us peace is nothing more than the continuity of war by other means”. Total war would be fought on a political, economic, cultural and propagandistic front, society as a whole being converted to a unique “war machine”. Total war was industrial style rationalization pushed to the extreme.

*Why have we insisted on the war-peace theme, war economy – peace economy? What connection may tourism have with these notions, when it stops during the war?* The last half of century changed a lot in the world. **Today we live in a strange era, brought by the Cold War: the continuous peace-war state.**

“Do not believe that the outbreak of World War Three will be marked by the explosion of the first nuclear weapons. War began a long time ago. We are right in the middle of this conflict; we just don’t know it, because it has no liking what so ever the same as classical wars used to have. The only obvious military facts of this war are local or regional conflicts. I would also include terrorism...” said the Count of Marenches, chief of Chief of the SDECE (External Documentation and Counterespionage Service in France) in 1986.

“The nuclear tie between the USA and the USSR stabilized the world after 1950, divided into two camps. Since 1960, the “war” between nuclear powers was “the assured mutual destruction”. In the last few years, almost a trillion dollars were spent on a yearly basis for military purposes, as “insurance fees”, paid by world powers so that war would not enter their territory. But this fueled local wars....” enlightens Alvin Toffler.

We can see for ourselves: the war in Korea 1950 – 1953, the war in Vietnam 1957 – 1975, Arabian – Israeli wars 1967,1973,1982, Gulf Wars 1990-1991, 2003, wars in Afghanistan 1998, 2002 etc. But there have also been conflicts in Burundi, Bolivia, Cyprus, Sri Lanka, Cuba, Madagascar, Chechnya, and Yugoslavia also Budapest, deportations in camps in Russia, Romania, China, etc. **Between 1945-1990 only three countries have been spared of war. The “post-war” nickname becomes a mixture of irony and tragedy. But the period after 1950 is also the time of the birth and development of mass tourism.**

The geo-economic argument is insufficient to explain the world as it is today. Because the usage of only military and economic factors ignores the role of science, culture, information technology, which have been and are the real engines of today’s progress, even in the military area, in advanced economies.

If academic works are seldom, the literature on this subject is abundant. We remember Huntington only for setting the gap between eastern Orthodoxism and western Protestantism on the Carpathian Mountains; for now, it is still the Balkans which are the “barrel of gunpowder”, after the collapse of Yugoslavia. We must note that, despite border inviolability, claimed by the great powers, still, after 1989, Europe witnessed the fall of two Germanys’, Czechoslovakia and Yugoslavia, the last of which as a result of never-ending violence. In the East, Hong Kong, Macao. And the USSR!

We shall only point out Toffler's<sup>40</sup> theory. He distinguishes between three periods in mankind evolution:

**First Wave Civilization** is the one which was and still is inextricably attached to the earth. Regardless of local forms, language used, it is a product of the agricultural revolution. Even today, scores of people live and die working on the relentless soil, as their ancestors did centuries ago.

**Second Wave Civilization**, whose origins are still in dispute. Some historians claim they date back to the Renaissance or even further. But life for the majority of people did not change until mostly 300 years ago (in Tofler's vision). It was the moment of the first application of the steam engine and the beginning of the development of factories in Great Britain, France, and Italy. Peasants began to move to the cities. New and bolder ideas came to be: the idea of progress; the strange doctrine of individual rights, Rousseau's notion of social contracts; laicism; separation of church and state and the idea that leaders must be chosen by popular will, not divine right. And especially a new way to perceive the creation of wealth – factory production quickly transformed into *mass production, mass consumption*, mass schooling, mass information means, all connected and all served by specialized institutions – schools, corporations, political parties. A Civil War was needed in the USA, the Meiji Revolution in Japan, and Napoleon in Europe. A bisectional world.

**The Third Wave Civilization**, which showed up only in a small number of state, and which sells information, innovation, management, superior and popular culture, advanced technologies, software, training, medical assistance and other services, receiving products from the first and second wave. One of these services may very well be military protection based on commanding superior Third Wave forces. This is what high-tech nations offered during the Gulf War. In Third Wave economies, mass production (which can almost be the definitive mark of the industrial society) already consists of an out-of-shape form. *Production which is not mass created* – short series of highly specialized products – is the new bridgehead of manufacturing. Mass distribution is no longer in front of market segmentation and “particle marketing”, in parallel with production changing. Services are booming. Intangible patrimonial goods, like intelligence, become the key resource...Mass-media is de-massified regarding production. Even the family system follows the same patterns: the nucleic family type, once a modern standard, becomes an insignificant, minority institution, where as families with one parent, remarried couples, childless families and celibacy prevail. Society is changing as Second Wave homogeneousness is replaced by Third Wave heterogeneity. This type of Third Wave culture is specific to developed countries, which have created enough accumulations in order to ensure the technical basis for Third Wave technology. Third Wave countries become lesser and lesser reliant on First or Second Wave partners, *except as markets*.

Add the polarization of power to these elements, both between states and inside of them. Although “shapes” are generalizing themselves, “the contents” remains the same, like when abandoning the colonial system. Once transformed by the Second Wave, national economies are forced to abandon part of their sovereignty and to accept growing economic and cultural intrusions. Even in the USA, Japan or Europe, *internal power struggles between Second Wave and Third Wave elites, is on a developing track*.

The tri-sectioned world is the context in which most wars will be fought from now on. And these wars will be different from those that most of us imagine. The spread, speed and killing power will all reach extreme limits at the same time in history – this half of century. Death runs rampant thanks to the techno – scientific revolution. If anything, only this is enough to justify the term “evolution in the nature of war”. The army, according to Donn Starrz in Tofler's book, “is a factory. The idea was that our industrial factories will produce, produce and produce even more weapons. The army will make people pass trough instruction factories. Then it will place people and weapons together and we will win wars”. Only one issue: the complete separation between nations and civilizations is still unrealizable, due to the fact that it is unable to end pollution, diseases and immigration by penetrating Third Wave countries' borders.

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40 Toffler, A., H. – *Război și antirăzboi – supraviețuirea în zorii secolului XXI*, Editura Antete 1995

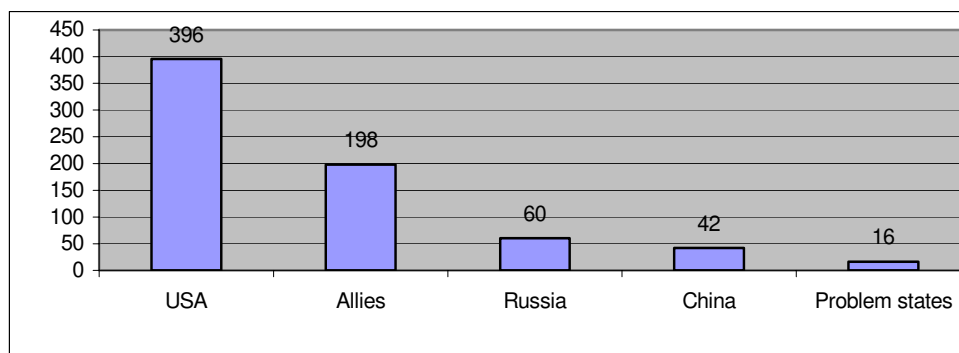
Third Wave Economy divides markets into smaller and different pieces. Commercial niches, niche financing and niche stock-market players appear. This de-massing of advanced economies is parallel to a world threats de-massing, war among superpowers being replaced with a multitude of “niche threats”: ethnic and religious violence, local wars. Border disputes, coups d’etat which appear to have been prepared by the system at the end of the Second World War. This scenario of “multiple small wars” determines military strategists of many armies to rethink their idea of “special ops” or “special taskforces” – the niche-warriors of tomorrow.

*And all this because the population of Third Wave countries must be as far as possible from the real war, to see it only on T.V., to watch it become a daily habit of news, just as flooding, earthquakes, fires or highway crashes. It is this element which leads, in our opinion, to a quick cohabitation with terrorist actions. Nobody in Ireland, for example, is surprised that they find themselves in a full-scale religious war, that rigged cars explode, that attacks take place that their lives may be in danger: it is the quotidian of a plentiful life. Wars, plagues, hunger, cold, poverty are somewhere far away, beyond the T.V. screen!*

We add tomorrow, which, in the contemporary world, began today: space wars, of which we know nothing about (in 1960 we have the first American spy-satellite, in 1987 alone we have 870 launches of which 700 in the USA and the USSR, in 1989 1700 launches of which 1000 belonged to both nations, in 1983 Ronald Reagan proposed the Strategic Defense Initiative), robotic weaponry and soldiers, micro-biotic and micro-electronic sciences, tele-psychology and genetic engineering weapons, etc.

Despite this immense accumulation, as terrifying and frightening as “The Second Coming”, the world continues to live on in apparent peace: the poor slaving for daily bread and water, the rich trying out new “experiences” in the post-modern tourism world.

We illustrate the actual military budgets of the main international actors, according to Thierry Meyssan:



**Allied** – NATO countries + Australia, Japan, South Korea

**Problem states** – (Rogue states in American terminology) : Cuba, Iran, Iraq, Libya, North Korea, Syria,

Sudan

billion USD

<b>SUA</b>	<b>396</b>	Taiwan	8
Russia	60	Canada	7
China	42	Spain	6
Japan	40	Australia	6
GBR	34	Netherlands	5
Saudi Arabia	27	Turkey	5
France	25	Singapore	4
Germany	21	Sweden	4
Brazil	17	United Arab Emirates	3
India	15	Poland	3
Italia	15	Greece	3

South Korea	11	Argentina	3
Iran	9	<b>Total without USA</b>	<b>382</b>
Israel	9		

*We do not believe these numbers to be accurate, because it is well-known that, traditionally, most expenses are camouflaged under other chapters.*

The risk of a major conflagration is annihilated by local conflicts, exercising force in niche wars, which lead to the **changing of the economy's type**, not only from the effects of the cultural, techno-scientific and informational revolution. Not so long ago, defense companies in the USA have segregated their military and civilian activities. Today, says Hank Hazes, Electronics and Defense Group president of Texas Instruments, "if we were to create a vision of what we would like to see happening, (this would be) **the unification of defensive and commercial, so that military and commercial interest products may be manufactured on the same assembly line**"<sup>41</sup>. A new kind of fordist breakthrough?

Many consider that the collapse of the soviet system was actually the end of the Second World War. The transition of commanded economies, of military inspiration – given by the Cold War – to market economies, using privatization as the first means of doing so seems to confirm this version. But is this only a stage of the strange contemporary war? Because, from all the equations exposed before, one remains unmentioned: the equation of power, power which may erase the entire theory: just like when a war is decided. And not only political power.

### 1.5 A few considerations on contemporary culture: culture as a production factor

In the last 10-15 years, both western academic research and those commanded by large tourism enterprises or international structures have preoccupied themselves with culture, its role in tourist decision, in the tourist product, in the process of "the tourist experience" and finally the tourist remembrance. Until a short while ago, culture and tourism have been regarded as two different spheres of social practice. John Urry<sup>42</sup> though, noted ever since 1995 that "barriers between tourism and culture have vanished as a result of:

- society's improved cultural status, everyday life becoming characterized by an absence of differences between the cultural and social spheres and the proliferation of sign economy
- improved cultural status for tourist practices: tourism included more and more cultural elements in its products, sign signification in tourist sites production has increased, created precisely by culture industry"

If we are to admit Urry's theory, that we live in a "culture of tourism", that "tourism is an integral part of the *new world order of postmodern mobility*"<sup>43</sup>, then the studying of cultural tourism becomes crucial. A first proof of this is the realization that many tourists are more familiarized with faraway spaces than with those of their immediate vicinity, as a result of mass tourism, which, by becoming more democratic, has led to the term of "tourism culture", which became a "social right"<sup>44</sup> in the developed world.

So, here we have a series of arguments which call for a prior analysis of the cultural environment, in order to explain the culture-tourism mix, which became independent, but rather influenced by both rules that govern culture as well as rules that govern tourism. It is precisely the lack of such studies which makes this endeavor imperative for our country.

41 after Toffler, A., H. – *Război și antirăzboi – supraviețuirea în zorii secolului XXI*, Editura Antete 1995

42 Urry, J. *Touring culture*, Comunicare prezentată la conferința *Teorie, Cultură, Societate*, Berlin 1995

43 Clifford, J. – *Routes: travel and translation in the late twentieth century* – Harvard University Press 1997

44 Richards, G. – *Time for a holiday? Social rights and international tourism consumption*, în *Time and Society* nr. 7 din 1998

### 1.5.1 Culture as a sector of economic and social life.

Ever since antiquity, between culture and art, on one hand, and material production and science, on the other hand, there has been an apparently irreversible divorce<sup>45</sup>.

“Labor division becomes a real division only after division between material and spiritual work occurs”<sup>46</sup>. People who deal with this also belong to special spheres of labor division and to them it appears that they are working in independent areas. But, as they constitute an independent group within social labor division, so is their production output influential on the whole process of social, and even economical development. They also find themselves under the dominant influence of economic development.

We will not enlarge on this, we shall only remember that culture and art are a part, a sector of life, and thus must be understood as such, to the real degree of its importance and essence, just as material production is understood, because, today, the techno-scientific revolution demands it. We state, as a supporting argument, the fact that more and more workers depart from “classical” economic sectors, towards the new domain in contemporary culture, a sector which is, at this time, in full development.

We shall pause on certain aspects of culture and the Cultural Revolution because tourism is based on culture, “it lives” by it and is shaped by it. Culture modifications induce transformations in the tourism activity, which are more profound than those in material infrastructure. No one travels in order to sleep at a hotel or dine in a restaurant. Even when taking “gourmets”<sup>47</sup> voyages into account, the drive comes from the culture of the tourist, not his hunger. Actually, the main purpose of ATLAS (Association for Tourism and Leisure Education) is cultural tourism, investigating and branding new trends and ways by which culture and traveling mix. And it is not the only structure that possesses this purpose.

Let us show several implications of the techno – scientific evolution on culture.

### 1.5.2 The implications of the scientific and technical revolutions on culture

#### **-Macroeconomic implications: culture in social and economic life, culture transformation into a production factor.**

The techno – scientific revolution leads to a transformation of all production forces and sets their entire elementary structure in motion and so implicitly changes man’s position. It imposes a superior production unit to production, which becomes the basis for production self-movement. There is not only one tool connecting man and nature, rather an entire individualized technical production process, which has its own dynamic and structure. An important and expanding part of human activities regarding the creation of production and subsistence means may gain a technical and engineering character.

Science has followed the path of production thus far. In the middle Ages and the Renaissance, it was home made, then laboratories and research associations began to carry the

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45 Although, according to the DEX , Ed. Univers Enciclopedic 1996 culture is defined as ”The totality of spiritual and material values created by mankind and of institutions needed to communicate these values”. Webster’s Dictionary 2001 defines culture as: 1. The quality in a person or society that arises from a concern for what is regarded as excellent in arts, letters, manners, scholarly pursuits.etc... 3. A particular form or stage of civilization, as of a certain nation or period: *Greek culture*. ... 6. the sum total of ways of living built up by a group of human beings and transmitted from one generation to another... we will proceed in our work with its first, more restricted sense, “classic”, as the totality of mankind’s intellectual goods.

46 K.Marx – Opere alese. Ed.Politică 1968

47 term indicating people predisposed to tasting fine foods. Opposite: gourmands: great eaters.

mark of manufacturing enterprises; in the industrial age, science became industry, than industry became science.

At present, the elimination of labor force from industrial production and its replacement by technique, as well as “capital liberation” are a sign of increased production forces. This process takes place in terms of decreasing traditional productive labor, as well as reducing needed work time. New invading production forces have different human parameters, a stronger and more essential connection with the development of man; they represent a new positioning of man in the production world, and, in doing so, a new positioning of man in general. They determine transformations of the labor mass, the collective worker’s structure and varying positions of the domains of human activity. The strength man gains by means provided by the techno – scientific revolution leads to an opposite way of perceiving time: hundreds of human generations struggled to trap “nature’s time”, using history; “nature” today, under the action new forces, is changing so rapidly, that “tomorrow” became “today”, “now”.

The techno – scientific revolution also stands for a cultural revolution in a new way, a more comprising and profound way, because it does not limit itself to certain changes which took place in nature, rather it transforms the very position of culture in society’s life in order to create a direct dependency between the development of material conditions of a civilization and the cultivation of human relationships and forces. If by culture we understand, taking from the old Kant quote, the cultivation of human qualities and strengths, the techno – scientific revolution merges, in this context with the largest cultural revolution in history, as far as this goes, because it situates culture, which now was a peripheral element of life, right in the middle of it. Thus creating the basis for a unification of the economic and cultural words, while their disappearance had accompanied the human system like a shadow.

The major issues of the industrial basis of civilization become resolvable through a complete change of the structure of production forces, of the entire civilization basis of human life. The techno-scientific revolution not only allows for, but also imposes a permanent and general development of strengths in every human being. It includes not only industry but all spheres of civilization. There is a change taking place regarding the role of science, of instruction and culture in general. While past centuries culture was fulfilling its mission only at the periphery of social life, it now becomes a deciding factor of development, places at the heart of events. The development of the standard of living determines the general development of creative capabilities in science, technique, economics, art and human care. The wealth time economy creates (disposable time) may be the space needed to develop human strengths, to develop man itself. Techno – scientific revolution follows an equivalence ratio between production progresses per se, teaching progress, service optimization or any other means of development of creative forces of man.

Under these circumstances, work and economic sectors division, in productive and nonproductive ones loses its old sense, because now during the entire human existence, decisive production forces for the progress of mankind are being produced. In exchange, a neutralization of these human skill creation domains is equivalent to waste. Culture becomes a production factor.

### **- Implications inside the system**

The techno – scientific revolution includes, right from the start, not only industry, but all spheres of civilization, of human activities, of life itself. It creates much more obvious movements even in these spheres, rather than the industrial production per se. It offers a new support, new means of prolonging natural human forces up to a unimaginable and hard to follow area in its fantastic explosion.

We estimate that the most important results of the techno-scientific revolution on culture are the following:

a) a rapid culture restructuring



- b) the mass culture phenomenon
- c) a new, direct relationship, between industry and culture

a) A rapid culture restructuring

Rapid changes in culture structure are the most confusing phenomenon of the last few decades. The genres and species of different culture components are changing at a staggering pace. The movement is both-ways: on one side, a quick change and transformation of each component, on the other hand a powerful transformation of ratios among them. In order to sustain these ideas we invite the reader to follow profound transformations in literature or painting, of literary genres for example: their appearance and galloping succession is a direct reaction of man's quick conquests in science and technology, of an enlargement and unprecedented renewal of human mind horizons, of human knowledge. As a parallel, we are witnesses of a continuous change in the cultural landscape, where new ways of artistic expression arise from one day to another. It is sufficient to imagine the movie phenomenon, or television, and to follow their evolution, the changes they determine in other genres, their relationship with the rest of culture in order to further argument this idea. The present cultural dynamic is unprecedented and we do not believe to make a mistake when saying that it modifies our conception and habits regarding this domain.

b) Mass culture phenomenon

Perhaps the most spectacular aspect of the influence of the techno – scientific revolution is the appearance of “mass culture”: an unpublished phenomenon, the result of actual science and technology progresses. Being a product of mass-media, “mass culture” has extraordinary dimensions, it covers multiple aspects and raises many questions, it plays an independent role and may not be, at least at this time, compared to anything else. In spite of dedicated tomes, it still possesses many unknown elements.

This is the contact area with tourism. Any form of tourism, not just cultural tourism, has a cultural motivation as a starting point, even if the cultural “level” is of minimum resistance. Furthermore, cultural elements are the main “ingredients” of a tourist destination.

d) a new, direct relationship between industry and culture

As a result of the techno-scientific revolution, relationships between industry and other sectors are changing. We are witnesses of an approach between art industry (see also the design element) and industrial art. More and more art-forms have called upon technology: kinetic art, electronic art, video, and others are strongly influenced by technological progress: decorative arts (raw materials and technology), architecture, painting, sculpture and even theater (a new resource basis allowed for new ways of expression). Who could have imagined, until not so long ago, while Goethe was writing Faust, that, in only the “blink of an eye”, as far as history is concerned, cloning or bio-robots issues etc. will explode in such a manner that we do not even know what the next hour will bring. *A thought....and science became motivated, and technology created it.*<sup>48</sup>

The techno-scientific revolution makes an irrevocable mark on culture. The relationship is valid both ways. This way, the techno-scientific revolution corresponds with a cultural revolution that has unprecedented significations and dimensions.

### 1.5.3 Cultural structure

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48 I insert here, for the beauty of the idea, one of many Romanian appreciations: “He who thinks alone and searches for the light/ Gave new life, and an iron man, the machine,/ A being spawned from thought and dream,/ Much stronger than arm or back...” Arghezi T.; *Versuri*, București, 1980, Cartea Românească

The definition of culture: it must be stated that as to this point, there is no consensus regarding this aspect. Some consider culture as an artistic creation on one hand, interpreting and distributing works of art, and sport on the other hand. Others add science and technology. The final intergovernmental conference report on European cultural policies defines culture as an ensemble of spiritual and material expressions of a society, considering the fact that they are the product of man's creative skills or are funded on his creative skills and try to define culture in correlation with social justice, education, communication, the environment, etc.

The great diversity of this domain, the multitude of problems it presents, the lack of profound research in this field, implies a difficult task in establishing cultural structure.

As tourism is an "inversed" commerce (the consumer goes to the merchandise), and culture is the main element of motivation, it is important to have a clear idea of cultural structure and the elements which affect this field, in order to understand the causes of tourism's most recent mutations. If a cultural product like the "World Wide Web - www" can be consumed at home, it can also determine the decision of traveling for an "effective" consumption (at the location stated in the www) or may become a "virtual trip", a "malady tourism", as is the case with people diagnosed with "the Internet syndrome". Thus, the difference is huge!

In cultural "production", there are two main possibilities:

- I. Production can not be separated from the production act, as it happens with all active executing artists, teachers, physicians.
- II. It has as a result goods which have an independent and specific aspect, and which are acknowledged as art products.

I. So we can establish as major genres<sup>49</sup>:

1. music
2. theater
3. choreography
4. conferences and lessons, as they are realized under the presence of producers
5. books and publications – books, newspapers, periodicals, tourist publications, manuscripts, typed documents, other copied documents
6. painting and drawing creations, lithography, engravings
7. sculptures, statuesque or bas-reliefs
8. antiques
9. Scientific collections (anatomic parts, zoological specimens etc.) home made objects
10. movies, cinematographic materials (movies, microfilms, impressive photographic plaques, transparencies )
11. sound recordings, others than music, radio and T.V. items
12. printed or manuscript music, musical instruments
13. scale models, models, charts and graphs, blueprints or industrial or technological drawings
14. philatelic objects
15. architecture (architectural monuments, historical monuments)
16. World Wide Web – the internet

Enclosing the cultural structure represents a specific importance to both researchers in the field as well as for possibilities of conscientious interventions in the dialectics of its development.

II. Non – material production in the cultural field creates works of art.

The main reasons for the existence of a work of art may be:

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49 The numbering of genres continues with the art objects classification. It is hard to realize a unique classification of art objects. The submitted one is the most plausible, approved by UNESCO

- It stimulates and feeds sensitivity; it suggests a certain vision of man in the Universe enlarges and deepens the effective perception of nature components chosen by the artist.
- Value, value of use and prices for objects of art has certain characteristics, basically given by the specific nature of value in use, of the necessity they satisfy.
- Works of art have an immovable propriety, whether in a gallery, or a warehouse, they are acknowledged as works of art due to the fact that they have only one final utility: their action on human sensitiveness.
- The art object, as any other product, creates a public with an artistic perception, a public which is able to enjoy the beauty of art. Ergo, “production” does not only produce objects for subjects, but also subjects for objects.
- Usually, the usage of art objects takes place after the fulfillment of other basic needs of man. Today though, we can see that art is more intimately linked by any human action or product (at least in economically developed countries).

As a consequence of the conjugation between the cultural and information technology and communication revolution, tourism switched over from service packages to selling “experiences”, actually art, culture, or a part of the life-time, the existence of the subject (the tourist), molded, thanks to the intimate cultural process, with the object (“the raw matter” of tourism activity). To demonstrate this and further strengthen this statement we mention only the fact that the tourist which enters a travel agency today, is not frequently asked **where** he wants to go, but **what kind of holiday** does he desire: familiar ambiance, adventure, sport, youth, etc., classical or exotic destination, etc., sun-sea-beaches, or mountain – snow – sport, discoveries<sup>50</sup> etc., meaning what “experience” does he desire. Of course, this takes place in rich countries; for a tourist in transition countries, the first question refers to the allocated budget.

#### 1.5.4 Contemporary particularities of culture

a) The unprecedented development of culture, meaning two tendencies: industrialization and decentralization.

The extraordinary development of industry, agriculture, transportation, has a correspondent in culture. Today we are witnessing an unprecedented cultural development in all fields: production, distribution, consumption. Perhaps, in all of mankind’s existence so far, the level of cultural creations has not been as high as in the last few decades, all areas included. There are 961000 book titles appearing every year, 11900 daily newspapers, a staggering number of radio and T.V stations, painting and theater have never known such development: it is an overwhelming explosion. But the real revolutionary explosion is in the distribution field. This became simpler, so simple in fact that man has easy access to all cultural products, sometimes he is even “bombarded” with a huge amount of such products. At the same time, consumption grew strongly, sales of good literature have doubled in the last 10 years, and the number of musical organizations and the ones interested in art grew rapidly; for example: there are two major tendencies in culture: on one hand, a tendency towards industrialization, both on a production level – mass cultural products – as well as in distribution. Many of our cultural needs are modeled by the same production process that exists in order to satisfy them. Some cultural goods can not even be regarded as the result of an industrial production process (movies, T.V. programs, radio, discs, books) when we talk about industrialization we don’t only think about multiplying works of art, but also creating them in conditions similar to industry. Mass communication means create an industrialized distribution. The trend is easily noticeable when the studying of the production and distribution of each good takes place. On the other hand, we are witnessing a reverse decentralization process, of production for self consumption. Group theater is a phenomenon which occurred in theater. The extraordinary

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<sup>50</sup> A circuit with a specific topic

expansion of “do it yourself” hobbies or trends are a reaction to cultural industrialization, the number of collectors grows, the number of Saturday artists increases, amateurs as well, connoisseurs in one area or the other. After a conducted international research, in large European cities, these occupations represent 40% of spare time. An authentic mark of this trend is the increased number of requirements regarding subjective participation of readers, spectators and auditors, for realizing ideal works of contemporary art. More eloquently, for sustaining this argument is the Internet phenomenon, where production allows for a vast array of goods, and distribution is basically, a new phenomenon, for the rest of the world, while for the USA, it is history already.

As a particular feature of contemporary culture, we mention the increase of required investments in this field. Not only in new genres, which are directly linked to the technological process, but also in the matter of classical ones. A theater hall today requires substantially increased arrangements, as compared to the past, a sculpture or painting workshop also includes new and expensive equipments.

We must not see decentralization today as a exclusive consequence of cultural industrialization. Marx said: “the exclusive concentration of artistic talent within an individual and the enclosing within the masses is a consequence of labor division and the communist society does not comprise of painters, rather at the most people that occupy themselves with painting”; of course, it is natural that as spar time increases, people allocate more and more of it to cultural activities, ironically, especially in developed capitalist countries!

#### b) Mass - culture. Mass - media

Mass culture is the direct result of mass-media actions. Lack of space does not allow us to analyze, put their study is essential to any research on contemporary culture. We realize this only by taking a glimpse on the traits, functions and consequences of their actions.<sup>51</sup>

##### Traits:

- Omnipresent and public: they are to be found everywhere, they have a large, non-restricted area, they are at everyone’s disposal, we see them at all times.
- Rhythm and periodicity
- Universality, as contents are distinguished by complexity and multilateral elements.
- Penetrating power : they include the masses, are addressed to all, directly, no intermediaries, they simplify the distribution of information
- Instantaneous and actual communication
- Accessibility
- A major art of them become household cultural activities.

##### Functions:

- informational
- cultural
- socializing: they determine a specific way for social interaction, for stimulating and organizing man’s need for sociability
- the need for education and instruction
- the need for “compensation” trough fun and “entertainment”

There are multiple consequences, which have not been yet fully enlightened by research. It is certain however that mass – media generalized information, cultural and entertainment access, but the contradiction of creation reappears as a dilemma between creator and consumer: as long as man needs to feel the lack of connection between his activities and his own creative powers and

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51 Escarpir R.; *La Revolution du livre*, Flammarion, Paris 1965/1970

has no contact with neither science nor culture, a contact which would be based on such an activity, we have a “crisis” or “alienating” phase, which has been observed by all researchers.<sup>52</sup> But it is easier to raise a factory in an open field or to tear a secular tree from its roots than to modify the ideas of an individual and to adapt his mentality to a new situation, at an accelerated pace. Researches in this field appear to be flawed precisely because they apply a completely new phenomenon to old ways of thinking.

There has been a lot of talking on subjects such as “audiovisual culture” and it has been said that the USA does not have a culture of its own, or it is precisely audiovisual culture, such a peculiar phenomenon, which characterizes the USA, even more as an entire generation grew under the influence of such a culture, different from the classical one, but culture nonetheless. We do not try to present the USA with a culture, but it is the only country where the phenomenon is relatively old and has not suffered the influences of classical culture.

c) The industrialization of art or the enlightenment of industry

An entire chain of purely technical analysis of the current development status of civilization reveals the connection one way or another. The industrial revolution cancelled the esthetic dimension which the manufacturing world possessed, from the existence of masses. The belief had been spread that technique and art have been separated forever. Still, it is noticeable, one way or another, that a connection between contemporary artistic means and esthetic concepts and that absolute border where the technique of our time will develop. Beyond a certain demarcation line, it begins to crystallize itself from raw surfaces and solid shapes, from the artificial game of light and shadows which is specific to technique, a beauty that enriches human senses with a new kind of perception and pleasure.

So, it is no coincidence that esthetic value of products ceases to be a luxury product privilege that a new field of applied art is flourishing: “industrial design”, which takes place everywhere in the field of esthetic industry, that an array of states are compelled to foresee a percentage of sums allocated to public buildings being designed for esthetic aspects; it appears that design will last longer than other ephemeral experiences of contemporary art and that we will be able to talk about a civilization of industrial esthetics. This comes as a result of tighter relations between industry and art, a process of humanizing industry, or perhaps a process of reconciliation. An edifying example will be the “tourist destination”, its elaboration, construction and exploitation means.

Inequalities in cultural development. “The ideas of the dominant class are dominant ideas regardless of the era, meaning the class that has the dominant material strength also dominates the spiritual dimension. Bourgeoisie transformed the physician, the jurist, the priest, the poet, the scientist in workers and employees, so that inequalities in the capitalist economic system made a mark on cultures as well”<sup>53</sup>

Colonial politics of great powers had as a result the creation of great differences within the cultural environment between the colony and the metropolis, because cultural infrastructure was neglected or stopped from developing in the colonies, in spite of the fact that some of these colonies had a remarkable cultural past. Sometimes it got as far as national cultures of peoples under colonial rule were prohibited and replaced with a version of metropolitan culture. Anti-colonial struggle and the reviving of the affirmation of the national spirit have tried to remedy this state of things. But the backwards status and the absence of a cultural infrastructure raise great issues and, so far, the distance has not decreased. It is enough to think about the differences that exist between educational systems – a sine qua non condition for the existence of a strong culture –

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52 Tourism may be one of the “treatments”, in which the “producer” of the “emotion” is the same with the “consumer” of the experience. Providers only make the “experience” worth living, they are the “infrastructure”.

53 K.Marx – *Opere alese*. București. Ed. Politică 1968

in spite of recent efforts. Latest information from a UNESCO study indicates that 70% of world population is deprived of the effective use of their right to information. UNESCO launched an action to minimize this, which may ensure minimum information, by recommending the existence of 10 newspapers / day, 5 radio receptors and 2 T.V. receptors for each 100 inhabitants. This is a minimum requirement, and the fact that a major part of mankind may not accomplish this reflects the real appalling status of the state of things. Educational difference is at its highest rate yet: 40% of the adult populations are analphabets. Furthermore, at the dawn of the century, young men which became of age (developing countries estimate of 1.6 billions) will have at an adult age the now given baggage of information, baggage delivered by an insufficiently developed educational system which is unable to provide a formation in accordance with the requirements of the century. At this time, third world countries are making serious efforts. But on the contrary, there is another powerful factor which may not be neglected. Today's communication, culture's distribution has as a prerequisite a more and more updated technology, which rapidly changes under the influence of the technological progress and which implies larger and larger amounts of money, which is hard to come by in developing states. We have the recent example of the Iraqi people, which, being on the brink of war, were confronted with an informational blockade, only to become easy pray for the mass-media afterwards; or Romania in 1989 or after 1990. But these effects are short lasting, they can be annihilated, with huge costs sometimes...

We do not wish to say that there are superior and inferior cultures in the world, developed or backwards cultures. Not at all, for mankind all cultures are equal and have the same value and importance in the treasury of mankind. We must understand however that at this time, we have different production, distribution and access capabilities regarding culture due to economic differences, that different state cultures are on different developing stages, in accordance to the economic development. We can not limit the cultural development of poor countries to a mere conservation of traditions and folklore – like Discovery Channel shows or spectacles offered to foreign tourists. Traditions die slowly under the influence and pressure of imitating habits from developing countries. Folklore starts to be a sort of “museum item” which is “paraded” on different occasions or for foreign tourists. A relevant example is given by V.R. van der Duim for Tanzania (The ATLAS Conference – Quality of Life, Leeuwarden, June 2003): Tanzania's areas which are opened for tourism are those which have mobile phone coverage, which allow for communication. The chief of a Massai village, which, for example, has a mobile phone, asks for a 10 minute pause time, in which they change their jeans and T-shirts with traditional costumes, after which tourists will enter the “traditional life” of a Massai village! The same thing happens in Sibiel, near Sibiu. Furthermore, new forms of culture are fighting with “authorities” in order to obtain recognition. Only time may validate them, but today's consumption is instantaneous, it has no desire to wait; the decision must be taken now in order to sell.

The development of national cultures is the only just path for the development of world culture, and the diversity that exists among national cultures is capable of raising the cultural value of mankind's culture, to raise it to even higher peaks! Today though, the word “national” is under the pressure of globalization, and may be replaced with “community”!

The world divide in different political and economic systems lead to the apparition of cancerous elements within culture, which modifies culture's true purpose and role, and stops it from developing. Still, the rush for tourist destinations determined the “loisirs” industry to revitalize traditional cultural elements from many areas of the world, both for their value, but also for their specificity. Once entered in the circuit of mass tourism, locals develop new forms of being market competitive. Sometimes, the reacting speed is amazing, an eloquent example being the one in the movie “The day the fish arrive”.

### **1.5.5 Monopolization in culture.**

If we are to conduct an analysis of the cultural production we will observe that a low number of states produce its largest part: 7 countries produce over 50% of book titles, 5 countries produce 31% of all movies and 6 countries produce over 60% of radio and T.V. productions. They are the biggest producers of paintings, sculpture, architecture, etc. They are the promoters of current trends and currents. *Mankind's history is, from this point of view, the process of assimilating culture which is located on a superior level of development to other cultures with which it came into contact.* We are witnessing the changing of the universal trading system, spiritual products of different nations become common goods and from the vast array of national cultures, a new universal culture is born. But exactly the countries that have the largest percentage of production also have the largest parts in forming world culture. Furthermore, the same countries realize the most intense distribution for their products and so, their products are the most seen in consumption. If we are to consider the situation only from a global perspective and we take national cultures into account only as far as they influence world culture, on the basis of what we stated before can we affirm that we have a similar process to monopolization in culture? Such an idea was hard to admit. Yet, given the insufficient level of research we leave the matter open for discussion, as the Internet is an example and a phenomenon which may not be ignored.

If we can not form an opinion regarding cultural production, regarding commerce as culture, the situation is clear: the respective countries have the lion's share.

#### - **The general trend of T.V. programs' circulation.**

Regarding the production of international television programs, the USA, dominated the market in the 1960's when they owned more than ½ of total export. Already in 1965 – 1970 American television program exports were tallied at more than 100 million USD/year. Today, the situation remains the same, but due to massive capital exits it is difficult to establish a total of sold programs or products, abroad, in various countries. In 1970, American hegemony seemed to be declining, (only 85 million USD in 1971). Certain experts state that the volume of English, French and German sales become increasingly important.

Certain countries are massive regional producers: Mexico and Brazil produce only for Latin America or Spanish speaking territories in the USA; the same goes for Lebanon and Egypt for the Orient. India for self-consumption due to religious restrictions.

Most television programs destined for international distribution are produced for the liking of spectators in the USA, Canada, Australia, Japan, Occidental Europe (England), which are the main markets or which may educate the remaining nations.

Two trends are observable: 1) a one way current from exporting countries towards the rest of the world 2) a preponderance of entertainment shows regarding this. These two currents reveal a trend towards concentration. We find the same tendency in information exchange: there are three world agencies, VISNEWS, UPI-TN and CBS (CNN is still just an experience, and only in television). There are no other world broadcasters and the entire world must use there agencies.

Whereas these programs are those that directly or indirectly, impose tourism standards.

#### - **Radio transmissions via satellite**

Today, the most powerful means of information broadcasting is transmission via satellites. It has as goals the following: a) to fully cover a vast territory with transmission signals b) cancellation of distance – this factor is almost the same for a transmission between 1-10000 km. Global broadcasting of TV signals trough satellites collides with a series of barriers: economical (high costs), technical, time span differences, language, legal, moral, cultural and social differences. The treaty of extra-atmospheric space (1966), the international conference regarding distribution of satellite transmitted programs and the international convention for the protection of artists, broadcasters, and transmission organisms tackled a series of issues: avoiding the imposing

of a unique, global point of view, the information access issue, information contents, mass-media social responsibility, problems which require solving by international cooperation. The UIT was entrusted with solving political, juridical, economic aspects of spatial broadcasting and the evaluation of national needs, UNESCO was entrusted with solving issues regarding free information, copyright issues, evaluating education and culture needs through culture and spatial communication, until they were transferred towards the WTO (World Trade Organization).

Satellite transmission can not replace national and ordinary communications. The network is worldwide but traffic consists mainly of telephone messages and data transfers. TV programs are still broadcasted towards areas which can afford to pay for them. Transmission costs are loosely established by the owners of broadcasting routes. As long as the offer of communication means via satellite is only dependable on commercial principles, the actual state of things is perpetuating itself.

And yet, in spite of all these inconveniences, satellite transmission might be the “business of the century”, due to its advantages, both for the user and producer, but especially for the transmitter. It would appear that other elements will coexist with the major three in the future: 1) cable, 2) video cassette (for personal use), 3) classic national and global TV and “mainstream” system for data transfers.

We must include military systems here as well, of which we have no available data regarding their true level of development. The Romanian revolution was the rehearsal for the live broadcasting of the first war, the war in Iraq, then the one in Afghanistan, so that in 2003 we could see the entire world being manipulated by the transmission of the second war in Iraq. It is obvious that mastering communication networks at a global level offers a substantial advantage regarding the manipulation of public opinion and its reactions, even if, in time, such a maneuver may prove costly. The formation of consumption reflexes of the masses of potential tourists is one of the global television’s components. CNN program insertions are eloquent.

### **1.5.6 UNESCO cultural policies**

Over the last few years culture came to be considered as a sector of social and economic life and an element of increased importance regarding development strategy. The complexity of the raised issues and the importance of the phenomenon became solid with the appearance of the concept of cultural policies. The problems were eerily debated by several intergovernmental conferences (Stockholm, Vienna), with particular stressing on institutional, administrative and financial aspects of cultural policies. Noting that the laissez faire is no longer capable of solving multiple contemporary problems, the conferences tried to establish the role of the state in determining and realizing cultural development objectives, promotion and organization of cultural development through state help, developing research on cultural policies and international cultural cooperation, UNESCO’s role in the cultural policies field.

The UNESCO functions were taken over by the World Trade Organization. The spreading of electronic products, the large amounts of money which are due to copyrights, determined big producers to pass on from issuing rules for these problems to a far more specialized organism on commercial issues.

The decrease in equipment and message support prices have made them worldwide accessible to countries which have known demographic explosions over the last few decades.

At a first glance, it would appear that we have given too much attention to these general issues, but it must be clear that the correct solving of problems illustrated so far is essential in any culture and art commerce analysis, in setting a real strategy, moreover given the fact that research is relatively poor and heterogeneous, which obliges to further studying of the problematic of contemporary culture.



Furthermore, culture intervenes as an element of the tourist product in tourism, but as a determinative one: no one goes on a holiday for the hotels or restaurants; motivation is different and always – explicitly or not – is directly linked to cultural ingredients.

We only wished to establish some guidelines, in order to allow for both the showing of today's and tomorrows economic mutations, but also to further tackle the tourism phenomenon.

### **1.5.7 Particularities due to the object of art and cultural trading.**

A first particularity is given by the fact of the specific aspect regarding this kind of commerce. Classical trading uses goods, products. Cultural and art commerce uses ideas. While goods are relatively amorphous, immobile, and satisfy a strict need, with no other implications, ideas are mobile and may have an unexpected effect in areas which are usually far from the field of the idea itself. They have quality traits which give them a higher penetration power and a higher inductive capacity for their effects. Selling and buying ideas, wisdom is far more difficult than selling merchandise. Of course, ideas are materialized as well, on a material support, but nobody buys a statue for the clay from which it is made, rather for the idea it brings to life. This specific object involves a series of particularities, first of all, is the fact that international idea traffic is far different from goods traffic. It has other laws, its own laws, it has specific issues. In order to trade art and culture one must obey the laws of such traffic and to overcome barriers and obstacles which specifically apply to this traffic<sup>54</sup>.

Secondly, even if the idea has been successfully transferred, another issue is present, regarding the specific nature of required value. *“Cultural merchandise” does not realize itself as a potential value in use, which makes its way to the buyer, but satisfies the need through the materialized required value within the consumer’s mind. Meaning, the consumer buys a book’s ideas, but consumes the materialized ideas within his mind after reading the book, and in doing so, satisfying the need for derivative ideas.* The distinction is very important, because there are several cases in which, for example, an excellent book is exported, from all points of view regarding artistic and idealistic realizations, but it is a fiasco due to the fact that it is not appreciated by its reader, for one reason or another. This particularity makes international cultural and art trading difficult and complex. The same goes for tourism, *because in a 20 tourist group that climbs the Acropolis, each has its own “experience”, although all are witness to the same “epiphany”.*

Thirdly, when the cultural product is only a part of a more complex one (the tourist product – for example) it is very hard to establish its importance and influence on the purchaser of the final product. This is even more obvious as in tourism; the tourist does not buy a tangible product, but sensations he hopes to experience, and finally, memories which remain. Another “materialization” of value in use takes place, a process in which cultural elements are determined right after those destined to satisfying basic needs: food, transportation, resting. We therefore witness a double transfiguration. Moreover, *a cultural experience in the technical process is usually a collective one, involving both travel participants but also locals* and are further validated by general public opinion, regarding the respective moment or objects.

#### **- Obstacles and barriers regarding cultural and art trading**

In cultural and art trading, many more and increasingly powerful barriers are present, than in other trading forms. By nature, we classify them as: cultural, political, economical, mentioning that all of them are present in specific literature and among the barriers of international tourism.

A. Cultural barriers and obstacles: they mainly have an objective and natural character. Among the most important we note:

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<sup>54</sup> a few problems regarding the circulation of ideas are being treated in the paragraph regarding obstacles and barriers in the international trading of art and culture

a) Certain cultural differences. Among different national cultures and groups of individuals, we find many differences tied with historical conditions of development of the respective cultures, different ways of thinking and different ways of forming their members. Sometimes these differences, which are the promoting factor of cultural exchanges, may stop their realization. Let us just consider the export capabilities of some products of Christian culture into Muslim environments. We must not only consider religion differences; they may operate in any field, for example pollution is blamed in countries that have reached a level where they perceive it as poisoning and which have the necessary means to combat it. Any business man knows that cultural differences must be taken into account when negotiating, but also national differences and the ones that derive from the different cultural environment of the partners. And it is exactly the job of the tourist entrepreneur to avoid and foresee such tensions.

b) Culture level barriers and obstacles: we will note analphabetism here, the flagella that holds back a significant part of mankind from the well doing of books. As another example, the lack of musical culture makes the sharing of classical music difficult.

c) Linguistic barriers: at this time, a number of important languages are being spoken, meaning redoubtable barriers in the path of art and cultural trading. Although it is admitted that over  $\frac{3}{4}$  of the world population speaks 12 main languages, 25% Chinese, 11% English, 8.9 % Russian, 6.25 % Spanish, 3.75 % German, 3.75% Japanese 3.75% , Arabian 3%, Bengalese 2.7%, French 2.7%, Portuguese 2.5%. Italian 2.1%, the rest of languages 22.7%<sup>55</sup>, this still does not solve the issue because most languages are based in several distinct areas of the globe (Chinese, Russian, German, Japanese, Italian), and those placed on the rest of the globe are relatively poor (English, Spanish, French).

B. Political barriers. Since an early stage the state insured a monopoly of selling and sometimes producing import and export. Officially, today the political censorship has been suppressed. There are however thousands of means with which cultural exchanges can be controlled, raising unsurpassable barriers. Still, in this field we note a slow evolution towards liberalization, evolution linked with tensions and contradictions of the modern world.

C. Economic barriers. We may classify them into four categories:

a) Laws and monetary restrictions regarding currency, which are applied to both imports and the cease of copyright issues, which are strongly questioned today by the great producers of “neo-culture” in order to charge copyrights from the markets of countries which are not developed from this point of view. As an example: the American – Chinese conflict regarding the copyright of information technology products which had blocked commercial relations between the two states for a long period of time.

b) Postal tariffs: they are basically common for all types of cultural materials

c) Duane regulations, licenses or at-value taxes

d) Different taxes, non-tariff barriers, etc.

e) A high cost of education in certain institutions which leads to the excluding of certain social categories or students from certain countries.

### **1.5.8 " The multiplying effect" of cultural products**

Aside from these particularities given by the intrinsic value of the object, there are also others, given by “the nature and the multiplying effect”. What can we make of this: the ideas from a book for example, may have extraordinary effects in fields which differ from that of the idealistic area of the book, or even culture itself. There are three main areas where this effect takes place: political, economic and cultural.

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<sup>55</sup> calculated after UN statistics 2001

Any cultural export (and tourism is the means for “internal culture export”, by moving the buyer to the “production” location) has implications in all three fields, but there are culture objects which have effects especially on one or another domain. We are talking about the latter.

a) Effects in the political domain

Abraham Lincoln said about Harriet Beecher Stone which wrote the novel “Uncle Tom’s Shack” that she is the woman which unleashed the Secession War in the USA. It is obviously an overstatement, but it is also true that the book had a major influence on political events at that time. Siegfried Kramer proved in his book, “From Caligare to Hitler” (Berlin 1966), that the movies of the late 20s in Germany prefigured Nazism and have exercised an influence as such. One may argue that these examples are from a national domain. It is true, but it is extremely difficult to show that this influence clearly exists, sometimes even as aggression, so the intergovernmental conference in Venice came to condemn imperialist manifestations in culture. Although we may not state concrete cases, if we are to observe the American programs for economic expansion and their cultural programs we should notice that cultural programs have always preceded the economic ones and that there is an obvious parallel between the two forms of programs. Furthermore, due to the fact that war propaganda was forbidden by the U.N. Charta, especially during the Cold War there has been an outbreak of “patriotic” films, basically, masked propaganda. If for an exporter it is relatively easy to determine which are the products that have effects in the political area, because he produces and exports them exactly for this purpose, for an importer it is rather difficult, and mostly impossible, due to the fact that there are contradictory effects which may result due to export. Still, facts show that every country has an apparatus of ideological critic in order to countermand unwanted effects (even in countries which have recently adopted democracy, where, predictably, such a system is excluded), as there are organisms particularly designed to carry on such exports and to foresee their development, or such imports, and adopt prohibition. At any rate, this effect is present and must be taken into account, although it is rarer in cultural trading, being usually located in cultural exchanges, this “public relations” activity for each country, especially considering the fact that, in spite of the negative effect, there is also the positive effect, which is more important, to make known the culture and life of a country to the outside world, to contribute to the maintenance and development of relationships between countries which create the transfer.

The effects in the political field are discretely taken into account in the tourist activity. What a tourist “sees” with his eyes (although modeled by the guide, by the attitude of the local populace – more or less free to express itself – by the way of presenting cultural products, etc.) is very hardly combated, and makes a fierce predator out of the tourist.

b) Effects in the economic domain

We shall not pause on the emission, on the current export of economic theories, although it has an important part, are thoroughly used (see also the multitude of economic theories emitted by Americans or those regarding transition in former communist states). We will search for other examples. We do not believe to be mistaking when saying that the export of beat and pop music brought more profit to large producers of musical instruments and electronic devices, rather than exporters of music per se, although we do not have sufficient data. Other such examples may be given, because cultural export with such purpose is numerous due to the great value of the cultural effect in the economic domain. It is sufficient to remind of the Internet “culture”.

c) Effects in the cultural domain

These effects could be compared to long term investments, because, by causing certain cultural reactions, they provoke reactions in other sectors. Of all the effects, these are the hardest to analyze, because the effects are double contradictory, having a random effect on culture, which in turn produces effects which are hard to determine. Still, especially implicitly, are the most often met, so accusations of imperialism become more and more frequent and often real.

We state again that we have debated these issues because there is an express wish to create them, the exporting process being thus made in such a way to obtain such effects. From this point of view, we may consider two trends in the international art and culture trading:

- The per se commerce whose purpose is to cash in on the value of the export, effects in other areas being random and of no interest to the exporter.
- A tendency commerce, in which the value of the export itself is not as important as the effects which it may induce. This form of commerce has many advantages for the exporter because it realizes two concomitant goals: cashing the value of the exports and free promotion of certain interests, in terms of high efficiency. The distinction is needed because, when talking about one situation or another, the realization and whole process of exporting involves different issues, both for the importer and exporter.

In tourism, when talking about the “internal export”, we observe both tendencies.

### **1.5.9 Cultural support: what the future holds**

We shall now point out a very important domain, which has serious repercussions on art and culture trading and implicitly tourism. We are talking about cultural support. This concept plays a major role in distribution. Its modifications under the influence of the current technological process are extremely fast, they lead to powerful modifications and changes in commerce. It is enough to think of the implications of the invention of printing or television or Internet on commerce. It is of the utmost importance to study and approximate future mutations in this field in order to adapt quickly and efficiently to new situations. Without a close study there is the risk of reacting too late and to become reliant on those who already promoted new means. As they have used clay, stone or word, societies thought it through one way or another. The human societies have thought differently according to what they use as cultural support: speech, clay, stone, tools, paints, wood, and paper. For millennia poor progress has been recorded in the using of many such materials. Industrial development brought forth major changes. It enlarged the array of materials being used, it transformed techniques. The printing phenomenon was the most spectacular. The modern age brought forth a revolutionizing of communication through the apparition of cinematography, the disk, the radio, television, long range data transfers, Internet. Electronic means have changed the basis of the communications system, by addressing two senses at the same time, and imposed new means of expression, a new way of thinking. Tourism on the other hand, reacts on all senses of thought and feeling.

It is worth recapitulating the main moments of the evolution of the cultural support and their implications. In order to constitute mankind’s memory, we have used either hieroglyphs, either other symbolic signs; they were for the initiated and their translation required a priest or translator. The Phoenicians, continued by the Greeks, will invent the alphabet, easy to use by a large number of people, on a cheap, but resistant support, but rather hard to multiply; it challenged only one sense: the sense of sight, furthermore, cognitive processes were channeled towards decomposing into pieces, in events and recomposing it mentally. It is not printing itself, rather the rotating printing device that will really bring forth a new leap: newspapers in millions of issues, at insignificant prices. Information was distributed immediately, thanks to the telegraph and the telephone, to the masses. Novelties were talked upon at the same time, thus enabling the “global village”. This also allowed for the manipulation of readers. The radio addresses a new sense: hearing. Around the Second World War, the entire USA will pass a night of horror, due to a radio phonic play entitled “alien invasion”. *Quo erat demonstrandum* in terms of manipulation was tested by the elites. Furthermore, the radio will not imply that the mind requires any more laborious processes of separating and rebuilding reality by phonemes. Television and movies will combine two powerful senses and will have a major impact on the spectator. 3D (the three-dimensional system) will enlarge the perspective of the receiver of the message, but also the means of its “manufacturer”. Today’s educated man does not receive symbols anymore, rather an

artificial reality, meant to communicate not only by addressing the mind, but also the soul (senses, feelings). Today's university youth has a different mental structure, a different way of perceiving reality. It is true that this reality is still "virtual", if not for tourism, which enables participation and total communication. Here's how the cultural support became intangible! And complex... See also Annex 1, where the majority of tourism "establishments" weave the unseen cultural support. Infrastructure (hotels, busses, restaurants, etc.) are "derivatives", while the rest is the true part, the part of born culture, which is consumed and which transmits "experiences", memories.

**Tourism, as a final and most recent cultural support, is the final point of our argument!**

We believe that, on one hand we will have a development of new technical "performances" through diversifying some areas. They will have a larger and larger quota as a cultural support in spite of other supports, which it will replace fully or partially. The material basis of the international network and ergo, culture, of transmitting and storing knowledge will be the light fascicule.

On the other hand we are to expect a new revolution which will raise man on another degree of evolution: using bio-currents. Practically, there has been a technically successful transmission of bio-currents from and to the brain, and their transmitting from brain to brain became a solvable problem, with only one issue still in need of solving: a language that will serve the new communication system; at that time it will all be a matter of time. This is a possibility which must be taken into account because it will raise bigger and bigger problems as mankind's history progresses, with deeper and essential implications on the nature of man. So, not a "mixing of languages", as was the case for the Babel tower, but rather "a cocktail of thoughts", in a harmonious cohabitation, a planetary homo-sapiens implosion. Actually, in an "all candor England", there have already been researches regarding the implementation of the "chip into the brain", which will allow for the commanding of the computer by simple power of thought. We will only retain the fact that the problems of the evolution of the cultural support must be studied at all costs. Research must be undertaken for each kind of support. Lately there is a new issue: the issue of production and consumption crisis. It studies have been made on the means of communication; the problems of consumption and production have been mostly neglected.

In Annex 1 we present a sketch of the tourist activity. We can observe that spare time and the available cash are just two restrictions, conditions. The spark is given by the untouchable, the "environment" area, information and different customs, with the cultural elements at the heart of all this. The engine of tourism, the decision to travel comes from culture, where they have been "implanted" by the social contract. But also, the usage value, of the product, which is difficultly manufactured, by so many participants in the tourist activity, resides still in the untouchable elements based on culture. The analysis of culture allows a just understanding of tourism, including its recent mutations. Of course, this does not answer the question "what came first? The chicken or the egg? The thought or the deed?"

We can observe a certain uncertainty, a fluidity of terms (immaterial, services...) <sup>56</sup> and an inconsistency of sizes (50-70 times). As we will try to showcase, behind classical analysis systems we find areas that have not yet been researched and which are extremely important, with major

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56 The increase of information volume, but mostly the "Babel Tower" status of our days compels us to make several statements to explain the sense of our expressions. The English language made way to American English, where the meaning of terms is often different. Romanian translations often imposed less inspired meanings to words such as the meaning of "commercial" or "add". Clearing statements are required in areas considered "known" by most people. Argument = reasoning, proof brought to support affirmations, according to DEX – Academia Romana, Ediția II, Ed. Univers enciclopedic - București 1996: argument = 1. Oral disagreement; verbal altercation, opposition, contention 2. A discussion involving different points of view; debate. 3. Process of reasoning; series of reasons 4. A statement, reason, or fact for or against a point 5. An address or composition intended to convince or persuaded 6. Subject, matter, theme 7. an abstract or summary of the major points in a work of prose or poetry, or of sections of such a work after Webster's Encyclopedic Unabridged Dictionary of English Language - Thunder Bay Press - San Diego, 2001 See also Annex 107

effects on contemporary life. And we will now mention, the statistical including among tourists of clandestine emigrants, which is a similar phenomenon to large migrations, in terms of volume; but how many repercussions – and not only economical ones – on destination countries, on families at home and on this category of “tourists”! And the phenomenon is known, researched, but...included in statistics regarding international tourism, as they are travelers with a tourist visa! In the current literature there is an unwritten law about this issue, which commands silence.

## 1.6 Semantic and contents statements

Life makes us follow certain paths. Misunderstandings which may result from the different sense of words ask a more and more often need to state the meaning of words we use in order to ensure that our message is correctly received.

For centuries Latin was the “reference” language. Then French...in the last decades, whether by the power of the dollar, whether because it is a main language – intimate or explicit – for computers, this role has been taken over by English.<sup>57</sup> But any tourist who visited the USA has surely noticed that at the picking of any public phone the operator says for English, press “1”, for Spanish press “2”. So, we can see that, behind simple tourist information, there is a much more complex phenomenon. We shall only pause to analyze the meaning of several terms in Romanian and English and especially their contents and respective contents differences.

We now submit for your observation in Annex 3 different meanings of the words “globalization” and “tourism”. A close analysis shows that different results may be achieved, depending on the way we use the words and/or the sense we give the word.

Globalization, generally represents, especially in American English a special notion: trough globalism, the American dictionary, but also, perhaps, American psychology, a nation which is now seen as the gendarme of the world – a process which began after the Second World War, even if it did not became obvious until the last decade – understands : “the attitude or politics of setting the interests of the whole world above individual interests of nations” and “to globalize” means “to extend something in other areas or the whole globe; to make something become spread globally”. What a great difference between these contents and those that anti-globalization militants offer! But, as we will show, tourism became a global affair – meaning it has spread worldwide – as a result of the methods of development of American types, and due to the substantial merit of American capitals.

We find different definitions within the economic literature. So:

- “Globalization” in its economic aspects refers to the growing integration of world economies, especially trough commerce and financial flows. Sometimes the term refers to the movement of people (labor force) and knowledge (technologies) across international borders, as the IMF states in its 2000 yearly report.
- “Globalization is the international integration of goods, technologies, labor and capital<sup>58</sup>” or “trough globalization we understand the integration of national systems within international markets”<sup>59</sup>
- “Global economy must be regarded as the global capitalist system” according to George Soros<sup>60</sup> or “globalization actually means, the existence of the transnational triadic capitalist system”, which has as main institutions transnational corporations, international organisms and lobby, and

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57 Americans make a clear difference between British English - GB and US English. In computer hardware programs we find, with no exception, the GB and US options, and sometimes even Canada, Australia, etc. We may thus consider, keeping in mind the degree of English usage (trough computers, as a result of mass media, etc. ) that trough English we may understand “American English”

58 Slaughter J.M.; Swagel P. – *Does globalisation lower wages and export jobs?* – FMI – Economic Issues nr. 11 - 1997

59 Schmukler S; Vesperoni E. – *Globalisation and firms' financing choices: evidence from emerging economies* – IMF Working Paper – iulie 2001

60 Soros G.; *Despre globalizare*, 2002 București, Editura Polirom

as a main market – the global market. Globalization is the means by which transnational industrial and financial firms control the market and available resources in order to obtain profit”, as Bruno Amoroso says, while Paul Hirst and Graham Thomson consider globalization synonymous to a global process...but...it did not become universal; And Virgil Nicula states that “globalization may be defined as the highest form of economic activity internationalization...globalization is the process of accentuated inter-correlation among national economies. We are driving towards a new world economic system, where the economic interdependence among countries represents the main element...economic globalization, as a result, reflects the extent of the goods and services markets and of the monetary and financial market and also, the labor market beyond the borders of the country”<sup>61</sup>

- According to Radu Vranceanu and Lucian Cernat “...by globalization we understand the process of accentuated interdependency among economies at a global level, by sustained development of exchanges of goods and services and the development of foreign investment flows”<sup>62</sup>, whereas Daniel Dăianu states: “...the essence of the phenomenon at this day: information technologies which establish quicker connections among us; the reducing of distances through new technologies; interconnectivity<sup>63</sup> and the growing of interdependency; the integration of financial and commercial markets; internationalization (globalization) of production (through firms with global activity); the apparition of “planetary issues” which call for global actions; the spreading of behaviors and clichés implies the rationality of *homo economicus* which knows no boundaries and local emotions (feelings) – the apparition of a homo globalus; the development of transnational identities, etc” “...among planetary problems, we must state those which regard the protection of the environment – such as greenhouse effect (global warming), protecting sources of potable water, massive illegal immigration caused by poverty and inter-ethnic conflicts, military conflicts and last but not least, the internationalization of organized crime (drugs and human beings traffic, weapons traffic, etc.) and international terrorism.<sup>64</sup>” “...Finally, we must mention misunderstandings among civilizations, on grounds of economic and social discrepancies, and divergent interests that collide” “...the distinction that one may make among the technological dimension of globalization and the means (mechanisms) by which it is defined. If by globalization we first understand a state of mankind which allows for “dialog among civilizations” (peaceful coexistence<sup>65</sup>), on the grounds of creating equal opportunities for as many inhabitants of the planet as possible and to help them have a dignified existence – as Amartya Sen<sup>66</sup> actually defines human fulfillment – we must have the intellectual correctitude to accept the fact that there are no clear suggestions as to what the realization of this state requires!” ...globalization, in its usual meaning, and which aroused strong controversies, regards defining processes for the last two decades – and its not something one can judge by analyzing general aspirations for people everywhere to possess certain more and more potent techniques (instruments) of knowledge and nature mastery...it is worth mentioning the fact that debates regarding globalization must not be disassociated from processes which took place decades ago...the fall of the communist system, which meant a geographical expansion of market economy based systems. These include the capitalist revolution, more or less insidious, from communist China, which began in the late ‘70s. ...neo-liberal reforms which took place in countries of Western Europe (Great Britain especially, but not only), Latin America, etc. This state of spirit and action regarding public policy domains has been encouraged by international specialized organisms which pleaded – through the so called

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61 Nicula V. – *Manual de Economie Politică* – Universitatea “Lucian Blaga” Sibiu 2000

62 Dăianu D., Vranceanu R. – *România și Uniunea Europeană* – Publirom 2002

63 What Geoffrey Mulgan called connexity (*Connexity. How to live in a connected world?*, London, Chatto and Windus, 1997)

64 The Al Queda network, lead by Osama Ben Laden, acted as a veritable global organization, which knows no boundaries; it represents a “revolution” from what we knew in the 70s as collaboration between the Red Liberation Army, The Red Brigades and the Baader – Meinhoff group, all being terrorist groups.

65 I take the chances of using a formula used during the Cold War

66 Amartya Sen, *Development as Freedom*, New York, Random House, 1999

Washingtonian Consensus<sup>67</sup>, for an opening of internal financial markets, a massive privatization, commerce liberalization, etc<sup>68</sup>.”

- “globalization is the growing of direct links among certain different societies and/or different associated actors...it is possible that globalization signifies more than different semantics”<sup>69</sup>

And the list can go on, as few concepts created such powerful and emotive reactions. Maybe because the term defines a contemporary phenomenon and we do not have the necessary temporary perspective; although, in the actual world are forced, stressed, to think and act immediately, under the pressure of “globalization”.

We will consider, as a **global phenomenon, any event in our lives that manifests itself in the same way in different states or for different nations, for the better use of international technocracy**. By events in our lives we understand any form of manifestation which is characteristic to human type bio-structures, such as: economic events, cultural events, self-conservation events, science, etc. We use the notion “life event” particularly to ensure a larger and larger (through this we surpass the strict notion of the economic sector to include “external” influences on it), and the “unitary” adjective in order to characterize entropy which characterizes a certain “life event”. All the derivatives from the term globalization are following accordingly.

There have been many debates in the affiliated literature regarding the mondialization phenomenon concerning economic life and also the globalization phenomenon. We shall not continue to mention the difference between the two terms, the term “worldwide mondialisation” having a better stated meaning and a larger admittance. We only mention the growing influence of worldwide actions and structures (the U.N, treaties, etc.) which, as we shall see, favor globalization.

The “tourism” term is also not a simple one. And the implications of defining it and its contents are especially important for a just understanding of this fact of life.

There have been several definitions used for “tourism”, throughout time, which have altered their contents. The last, which we appreciate for its honesty, was proposed on by Rob Davidson in his book “Tourism” (Pitman 2003): “tourism refers to people who have left their home, on a short term, in a stated purpose of “tourism””.

Having said this it is hard to believe that a sector of world economy in which one of three inhabitants work and which has an enormous level of revenues is defined by its own name: “tourism”.

The invasion of neologisms, affecting the very way of word forming is not damaging, but may lead to misunderstandings and even changes of contents. For supporting this idea we show the very definition given by the Romanian dictionary: 1.a sport which consists of passing through picturesque, geographical or historical regions of interest, etc. 2. a service activity which deals with the organization of leisure and recreation travels or other such purposes.

Oxford Student’s Dictionary defines tourism as being: “the business (activity) of ensuring traveling and services for tourists” but also the “practice of spending holidays as a tourist.”

The WTTC (World Travel and Tourism Commission)<sup>70</sup> defines tourism as an activity of a person that travels towards and stays consecutively in locations outside their habitual environment for no more than a year, for pleasure, business or other non-payable purposes from the places that he visits. At the same time it must define the notion of “usual environment”. In the elaborated statistical methodology, the WTTC considers that all personal consumptions made in advance are included, during and after a trip and they are directly associated with traveling as trip expenses, lodging, different shopping and also purchases made by friends, relatives or business associates, in the name of the buyer.

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67 the expression was put into circulation by British economist John Williamson at the beginning of the ‘70

68 Dăianu D., Vrânceanu R. – *România și Uniunea Europeană* – Publirom 2002

69 Barry Jones R.J. – *Globalization and interference in the international political economy* - Printer Publisher 1995

70 As a private structure it has great influence in the tourist industry being often compared to the “cupola”. It consists of 102 experts from the boards of major tourist actors. See Annex 6



But the WTA (World Tourism Association) specifies: “tourism is any activity that anybody undertakes if they are away from home for more than 24 hours”.

The multitude of definitions which are being used leads to the conclusion that we must consider “tourism” any trip, made by anyone, in any purpose, so as a consequence: emigration and immigration, goods sales, foreign businessmen...

This way of defining tourism compels us to take into account all the movements of people due to: wars, hunger, immigration, illegal emigration (like the Chinese in Hong Kong), political refugees, product sales, etc. and lastly, but not unimportant, “tourist” movements.

This is why we felt the need to state the length of the notion of “tourism”, which we will further use, in its broader sense, because the main attribute of tourism is movement, direct contact with a new space, a new “reality” which differs from that of our own home.

**By international tourism we understand the tourism that contains the element of foreignness whether regarding the person, whether regarding a certain service.** If the first two are obvious, the “service” is very different and all inclusive. We include here, for example, the following: buying a plane ticket (only the purchasing price) by a third party: the foreign element resides in the finality of the service. We had to state these elements in order to illustrate the “fluidity” of terms. And the lack of arguments and debates regarding such elements. Implications are high. Add the fact that tourism is an element of lifestyle, of wellbeing to all mentioned above. Ergo, maintaining the example, expenses made by an immigrant...

Also, tourism is included in the ISIC (International Standard Industrial Classification) in the 5<sup>th</sup> div: commerce, hostelling, restaurants, 8<sup>th</sup> div: medical services and 9<sup>th</sup> div.: personal services but also in financial services, etc. Ergo, an appalling statistic – due to ambiguous terms - may lead to completely wrong results. As an example, statistics recorded, during the war in Yugoslavia, a large explosion of Romanian tourists towards this destination: in fact, Romanian “tourists” were actually neighboring citizens, which crossed the border daily, on a tourist visa, to sell gas or other items. Or the total of sums required by carriers from illegal immigrants... Or the purchasing of vehicles from E.U. countries after the fall of the communist regime, including here the economy resulted with depositing the cars before they have been purchased. Result may be COMPLETELY different.

Supporting our argument, we also mention the actual state of the theory of western countries regarding tourism. The word **tourism** remained “intangible”. But, in a correct analysis, it is only used in practice as a “label” term. Two new notions have taken its place: **hospitality and leisure**<sup>71</sup>. Hospitality includes all basic activities and services: hotels, restaurants, transportation, travel agents, etc. Leisure has a larger specter of application: from classic agreement, to shows, arts, etc but also organizing the surroundings: coherent activities which will transform a location into a tourist destination: from facilities for “manifestations” to “environment”. Furthermore, things are taken so seriously that within the E.U. there are no longer “tourism” faculties, rather specialties for *hospitality and leisure*<sup>72</sup>. Things are more advanced in the USA, where we find special profiles within the educational field for tourism, dubbed “environment assessment”, “assistance in social integration” etc. within prestigious universities such as UCLA or UCSD<sup>73</sup>. Here future leaders are to be found and prepared. Execution personnel are generally situated at a post-high school or post – university status. These tendencies must be mentioned and studies because our theory and practice is currently at the level of the 60s in developed countries. For most developing countries “the tourist opportunity” is the “classical one” whereas developed

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71 Leisure: 1. freedom from the demands of work or duty 2. Time free from the demand of work or duty, when one can rest, enjoy hobbies or sport 3. Unhurried ease. Hospitality: 1. the friendly reception and treatment of guests or strangers 2. the quality of disposition of receiving and treating guests and strangers in a warm, friendly, generous way - Webster Dictionary - Ed. 2001

72 see, for example [www.fh-muenchen.edu](http://www.fh-muenchen.edu)

73 see also [www.ucla.edu](http://www.ucla.edu) or [www.ucsd.edu](http://www.ucsd.edu)

countries obtain money from tourism by new means and the social effect has shifted from the simple rebuilding of the labor force towards ensuring a new lifestyle.

To close this chapter, in the current state of tourism, we state several tourism “myths” and “realities”, from the book “Tourism: principles and practice”, edited by Longman in 1998:

- Myth: most tourism is of the international kind; real fact: 80% of traveling takes place in one’s own country;

- Myth: most tourists travel by plane; real fact: most traveling is terrestrial. The average distance is 65 terrestrial miles.

- Myth: working in tourism is a chance to travel and a chance to learn foreign languages; real fact: most workers are in the hospitality sector and have no contact with tourists whatsoever.

- Myth: tourism is a chance for development for all countries; real fact: most international tourists travel between developed countries (N.N. see also annex 105)

To this we add the following:

- Myth: restrictions to practicing tourism – mass tourism -: “available time” and “money”; real fact: tourism is a painkiller for social inequality, an element for maintaining the labor force in a good and active state, closely supervised and controlled by the state.

So here is how uncharted areas may lead to spectacular changes!

## **b. Globalization: premises, evolution, characteristics, a possible incursion into the future**

“Globalization” is the word of the moment, the most debated and probably the least understood concept of this millennium; very “young”, it could be just an “accident”, a shining moment on the scale of future history. Ecologists, human rights activists, farming groups and third world citizens cry out at superpower meetings in Seattle, Washington, Prague or Venice. At the same time economists and journalists specialized in business fill out shelves and tomes proclaiming “globalization” is a “historical inevitability”.

This is why we will not make use of statistics, we will not illustrate tendencies, we will not make macro or micro analysis, and we will not appeal to erudite treaties. We suppose that the concept of globalization is known and also known is its means of manifestation. We shall pause however to point out several aspects which we consider important for valuable thinking regarding Romania or which are paramount for international tourism.

### **2.1 Concept evolution**

The phenomenon is much older. Pepper, corn and potatoes from Latin America are common nourishments in India, Europe or Africa. Spices from Indonesia are common in the Caribbean. Descendants of African slaves brought to work in the “new world” became Americans, Jamaicans, Canadians, Brazilians or Guyanese. American cotton, which helped produce the first phase of the European industrial revolution, is cultivated in Egypt and Sudan.

But **globalization as we know it today gained a new dimension due to rapid changes in the last 25 years.** The revolution of micro-electronics has irrevocably changed the face of human contacts on earth. The internet and the World Wide Web have helped this process, allowing for more accessible communication, more efficient and also fast, so that they have been dubbed “the third wave” of economic growth. Fast and cheap transportation and instant communication have homogenized and enlarged commercial culture. *The American way* attracted and converted millions of people, whether they are rich or poor. “At the same time today, one may find a lot of “national” foods – Thai, Mexican, Indian – all across Europe.” Actually, many English residents or visitors believe that globalization and culinary “fusion” is the best thing that happened to English cuisine in the last 500 years” – says Wayne Elliwood.<sup>74</sup>

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74 Elliwood, W. 2001. *The non nonsense guide to globalization*. Oxford. New Internationalist

The great geographical discoveries will be the foundations of this phenomenon. For the “classical” period *Cecil Rhodes* – a famous imperial spokesman – is the one who, in 1890 *defining colonialism also stated the essence of the globalization phenomenon: we must find new lands from which we can obtain raw materials and at the same time to exploit them through cheap work of local slaves. Colonies will offer, at the same time, a dumping space for our surplus of products, manufactured in our factories.*” Before him, the nature of the phenomenon would be “blessed” by Pope Leon the 10<sup>th</sup> through the famous edict which would divide the New World between Spain and Portugal. Thanks to Columbus, a new opportunity appeared which set the base for European imperialism: the fight was vicious, as English, French, Dutch, Spanish, Portuguese, Belgians, Germans and later Americans will take into possession lands which will be later dubbed as “the third world”. Great Britain, and later the USA – exiled Europeans - will win this battle through cunning, force and hard work in their industrial factories. But only Rhodes’s vision imposed itself. Around 1860 – 1870 world commerce boomed. Richness from the colonies flooded the metropolis. At the same time, it left cities colonies bound as investments into railroads, harbors, roads, towns. “Globalization” was so great then that capital transfers from the “north” to the “south” were bigger at the end of 1890 than at the end of 1990. In 1913 (one of the peaks of economic integration) exports in major cities outmatched levels recorded in 1999<sup>75</sup>. Cheap transports were the foundation of globalization. But “Europe has spread, throughout the world, before 1914, not only its capitals and techniques, but also its most important languages, religion, its criteria and its evaluation parameters”<sup>76</sup>. But at that time mondialization was the main topic, the contents of the term being detailed clearly enough in the DEX (see also annex 3). And Professor Dan Popescu also explains: “is mondialization subject to interpretation, at the same time, as an effect of the **neo-liberal** wave which “undermined” and “thinned” many rules which were obstacles in the way of free trading of goods, creating new rules which favored and favor of an important manner **the free circulation of capitals**. Actually, globalization is strongly integrated with this aspect: **free circulation of capitals**, which in turn is bound, by the ability of capital to obtain bigger profits than the ones from which it came.”

It was still early on the global scene! In America, Ulysses Grant, former U.S. president, said in 1879: “Gentlemen, England used its protectionist system for 200 years, brought it to excess and it was good....after....it found a convenience in shifting to free trade, because it had no more use for protectionism...I believe that...when America would have removed its protectionist system after exploiting it to its fullest, it will also choose free trade in a decisive manner”<sup>77</sup>.

Two world wars followed, in which European powers or Asia’s Japan eroded, exhausted their forces and reserves, both their material resources and their stamina as dominant warriors. The USA assumed control. Americans of European origins returned to Europe and entered Japan. Unbeatable in marketing, they seized the hour of revenge: cheap transports, fast communication, the immense anti-communist market, the competition with the Bolshevik bloc, created the perfect environment. Furthermore, the end of the war gave them the opportunity to impose the “American spirit” – not a “Pax Americana”, not an empire, rather an American dominion, dominion which will give freedom to all, freedom to roam the earth with “in God we trust”, towards the profit of the American treasury.

The Bretton Woods conference was supposed to establish a working system within the postwar world economy – *a stable and cooperative international monetary system* which would promote sovereignty and prevent financial crisis. The purpose was to save capitalism, and not to destroy it. The main proposition was the one regarding the fixed exchange rate system. *The instrument: the International Monetary Fund*. Keynes’s influence was important. But a strong opposition by the military and economic American environments demolished his proposals: a

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75 Ellwood, W. 2001. *The non nonsense guide to globalisation*. Oxford. New Internationalist

76 Popescu, D. - *Mondializarea: între continuitate și rupturi* în volumul *Economia ca spațiu deschis* . Ed. Continent 2002

77 quote after Popescu, D. – *Economia ca spațiu deschis* . Ed. Continent 2002

world monetary reserve administered by a world bank was not in accordance with USA's interests, a country which wanted to become the world economic power. In exchange, a *free movement of goods* was convened upon, using the USD as an international currency. The GATT was created, which established a series of regulations which would lead world commerce. There have been 7 rounds of negotiations. In 1990, the WTO was created in Marrakech, with 137 members and 30 observers. It introduces one member's commercial sanctions upon another, especially against a member which does not approve with the interpretation of the organization regarding world commerce. *The third pylon, the political one, was the UN*, a democratic system in which the General Assembly makes recommendations, and the Security Council takes the decisions.

The term Grant had asked for had passed. The Americans translated the term mondialization from English to American; they began to "globalize", which means to expand in other parts or in all parts of the globe, to spread the American system across the world. There was no further need for protectionism, the world needed open doors for the American system, a system submitted to profit, profit at any price, anywhere, anytime and anyhow.

The 70s came, when poor people, but especially countries rich in oil rebel and use the boomerang that the USA had cast: Eurodollars, Petrodollars, Japan dollars. Enter crisis. Actual globalization is different from the one in 1970 also because of the collapse of the system of rules established after the Second World War. The Bretton Woods accord in 1944 brought 25 years of relative and stable economic growth. But around 1980 things began to change. Strong, neo-liberal governments, which promoted free markets in England and the US, applied new therapies. The chosen formula for economic progress, as it was chosen by Margaret Thatcher in Great Britain and Ronald Reagan in the USA *asked for a drastic reduction of the state's regulatory role. In exchange, the government had to sit behind managers of corporations and of those from the financial world.* The general philosophy was that **corporations must be free to exchange operations anywhere in the world in order to minimize costs and maximize payments towards investors.** Free trade, unrestricted investments, diminishing of regulations, equilibrated budgets, low inflation and the privatization of enterprises were hailed as a six step plan towards national prosperity. Between 1979 and 1994, the number of jobs in the public sector in Great Britain was reduced from 7 to 5 million. At the same time, the number of newly created jobs was mostly in enterprises which were not parts of unions, poorly paid, in the service sector. Susan George called privatization in England as "one of the biggest scams in our generation or since the dawn of time"<sup>78</sup>

*At the same time with the expansion of free goods and services trading, a diminishing of regulations was made regarding world financial markets.* Banks, insurance companies and investment funds, supported by computer technology and government support were free to invest their cash surplus in anything that could bring a quick profit. In this new and relaxing atmosphere, financial capitals had a destabilizing influence on the global economy. In stead of long term investments in effective production of goods and services, speculators were making money from money, without taking into account the impact of their investments on local communities or national economies. Governments began to fear the destabilizing impact of this *global financial casino*. Recent studies indicate the direct connection between the frequency of financial crisis and the growth of international capital flows in the 90s. The East Asian crisis which began in 1997 is an edifying example. Until 1990, foreign investments were strictly controlled. After that, hundreds of billions of USD entered and exited from one year to another. The reduction of regulations and rules in world finances coincided with a microelectronic revolution. And a leakage in capital flows also existed. This uncontrolled speculation, which Keynes had predicted, eclipsed long term investments. The roulette is rolling: les jeux sont faits!

The world had another pole. A big one, with a lot of populace, with huge problems: "the third world". Alone or within alliances, states try to save themselves or at least reach stability.

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78 George, S. - *A short history of neoliberalism* - comunicare prezentată la conferința "Suveranitatea economică în lumea globalizată" Bangkok 1999

Most of them were lead by dictators privileged for the resistance in the face of communist expansion<sup>79</sup>. Since the mid 60s until the mid 80s, 25 countries had been given 500 billion USD worth of loans. They were used to maintain dictatorships in the third world. But democratic states also take loans, especially those from South America, Africa and Asia. Economic performance is overdue, back payment becomes improbable. Security structures intervene: The IMF and the World Bank with almost typical programs: decreasing the currency and decreasing government expenses. They were thus included on the “black list” of trust. The IMF imposed structural adjustments as well. Unaccepted at the beginning, Mexico being an example. But the IMF and World Bank impose a restructuring plan which required massive adjustments. They impose drastic reductions of expenses even in vital domains and force a growing of exports even if this meant decreasing basic production, like foods and other consumption items. The Structural Adjustment Program is set in motion, basically a system of transforming private debts into public ones. In 1980, total debts for third world countries reached 1500 billion USD. In 1999, they reach 3000 billion USD. Most were costs due to older debts. These are added to sums which travel at light speed on the world’s communication networks. Between 1990 and 1997, developing countries paid more as a service for older debts than they paid for new loans, tallying 77 billion USD. Two decades of applying structural adjustments not only resulted in crisis but also deepened it, bringing suffering to millions of people and deepening the gap between the rich and the poor.

Since 1990, after the collapse of the soviet system, a new area joins this carousel, with huge reserves and stocks, with overdue industries and non-performing agricultural systems. Their geographical position allows them to “play” between the E.U. and the USA, but the promise of abundance is late, “the gauntlet” is more and more difficult, the perspective of falling into the “third world” comes closer and closer. Differential, according to traditions, connections, image....”The UN Development Program” notes in its “*Report regarding the development of mankind – from 1999 that 50 of the 100 largest economies are lead by multinational corporations.*” Mitsubishi is larger than Saudi Arabia; General Motors is bigger than Greece, Norway or South Africa. The annual income of the top 200 corporations is bigger than that of 182 nations which have 80% of the world’s population. *Companies may duel globally now.* The easiest means to get rid of a competitor is to buy him. The explosion of acquisitions made in the last few years shows a rapid change in the nature of the global economy, especially the need to relax and reduce regulations regarding foreign investments and international capital flows. The idea that competition is good “by itself and from within itself” is the dominant current of the classical neo-liberal economic model. It has launched a *global campaign towards the privatization of state enterprises.* Neo-liberals argue that governments are bureaucratic, inefficient and waste contributors’ money so their power must be diminished. Especially where they have interest, a market with a solvable demand, usually from third world countries. In their own countries, oligopolies make agreements with the state regarding global affairs: NASA, local wars and democratic reconstruction, space industry, information technology, etc.

This “history” of the phenomenon shows us that globalization is not something uncommon. It’s just a matter of force application, on democratic principles, using the technical means of this time.

## **2.2 Major means of manifestation**

In the actual state of international labor division we find countries with different degrees of international specialization. Ergo, developed countries, which are based on modern technology and a fast circulation of information, have an efficient specialization which ensures them a larger percentage of total international trading. We can observe a larger and larger number of products being created by a high international specialization, so at a quick glimpse, we may find that we can not even identify the producer anymore. The economic agent is super specialized, and may

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<sup>79</sup> The Ceausescu case is mostly in the same category

manufacture everything without even producing anything, this being more and more the case, as low costs and high profits are the results of this specialization. On the other hand we have poorly developed countries, with a unilateral specialization and with a small GDP quota in global exports.

The main characteristics and tendencies on the global market may be the following:

- the tendency towards the restructuring of the international labor division, of affirmation for developing countries on manufactured goods markets, with a high percentage of labor
- the specialization of developed countries regarding research with results in modern and ultramodern techniques, while developing countries are specialized as suppliers of raw materials and basic or classic industrial products
- a reorientation towards basic products of developed countries by increasing the correlation between the extractive and manufacturing industry in order to limit their dependency on external sources. The phenomenon is present mostly in Japan and Europe
- a regrouping of developing countries which may generate a restructuring in the international labor division. Edifying results have been obtained by the Asian “tigers”: Hong Kong, Singapore, etc.
- a decrease of the number of countries involved in international financial flows and at the same time their rapid growth both in terms of quantity and also in financing other countries
- the growth of the amount and the role of economic structures and areas in the international labor division, the apparition of mixed or new economic systems (as in Hong Kong, the E.U. or China)
- a tendency toward “repatriating” classic production industries, which, by very sophisticated equipments – but also costly as capital – reach superior profit and performance quotas in comparison with the period when they were present in third world countries. For example, clothing factories which are capable of producing, in just a few hours, a suite made exactly on the shapes and specifications of the client.

As a consequence it is estimated that the global market will mean a more and more accentuated competition between producers, which will deepen the international labor division. The techno – scientific revolution, the Cultural Revolution, information revolution and also the telecommunications revolution and the increase of the political factor are bound to bring forth major changes in international labor division. Still unsuspected, bio-technology and genetics may create similar changes, within human nature itself. Unfortunately the phase of unequal trading is not foreseen as diminishing in the near future, although more and more reunions and international accords have stated to surpass this state.

The main form of economic relations between states was, at the beginning, and still is, from a quantitative perspective, **international goods exchange or foreign commerce**. Around the First World War, **direct capital investments** became significant, and they became preponderant, some being found in belligerent countries. After the Second World War, the need for bigger investments, mainly lead to the development of **economic and technical and scientific cooperation** between states. Immediately followed by – this being visible in the last decade even for the uninitiated – transfers, huge **capital flows** which move instantaneously thanks to real time computer and telecommunication systems. All these links form the international economic flows, defined as the movement of material, monetary or spiritual values, from one country to another, which are also the main way for globalization to expand.

Add two other ways to this, which both have a larger contribution than all others: **information monopoly and persuasion power and/or origin state pressure.**

The general trend of international flows is one of diversification. They are influenced by a multitude of technical, economic and extra-economic factors, etc. which can act at a given time or in perspective. The appearance of a new flow usually means replacing an old one. Between existent economic flows we have stronger or weaker connections, given different periods.

The sum of international economic flows, regarded in their interdependency, form the world economic circuit. It expresses the reciprocal change of activities between different national

economies regarding trading, production, scientific research, in essence the total profit obtained by more performing economies, by major actors which have that country as a base. External economic relations represent a whole for a country. Each flux is autonomous, with specific forms of expression and measurement but it is integrated, leading to the notion of general efficiency for existing external economic relations, with specific methodologies for measuring integrated effects. We insist upon the fact that, at this time, multinationals, which seem to be the characteristic of globalization do not abolish the state, only subordinate it. Furthermore, each flux has its own historical time of manifestation, thus resulting asynchronies between the effort made by generating it and its effect. For example, the forming of the labor force requires 15-25 years. Many times its effects are reaped by other countries, as a consequence.

The evolution and manifestation forms of the international circuit mainly rely on: the degree of development for national economies, the degree of deepness of the labor division, the stage of international political relations. One must also underline the fact that the world economic circuit may influence international political relations and thus the world economy.

The globalization phenomenon is a complex and lively debated one. Many times both its partisans and detractors forget an essential thing: IT EXISTS!

### 2.3 Particular characteristics

The world “globalization”, a term which quickly became a status, a magic incantation, something able to open the gates of all present and future mysteries. For some, “globalization” is something that we must achieve if we want to be happy; according to others, our unhappiness resides precisely in globalization. It is however certain for everybody to see that “globalization” is the utmost destiny for which mankind is heading, an irreversible process which affects us all the same and in the same fashion. As we deepen our research on the social causes and results of time and space compression, it will become clearer and clearer that globalization processes are lacking a unity of effects. Globalization equally unites and divides: division causes are identical to those that promote the uniformity of the globe. At the same time as business, commerce and information goes planetary, a “localization” process has started, meaning a clear determination in an area. What globalization appears to be for some, is actually localization for others. Mobility becomes a paramount value, and freedom of movement - always a scarce and unequal freedom – becomes the main stratification factor in the post-modern age we live in. Some of us truly become “global”: others are stranded in their “locations” – neither pleasant, nor bearable, in a world where “global individuals” set the pace and make the rules of the game of life.

Globalization brings forth a new version of “**absent propriety**”: **stocks** – *the freshly gained independence of global elites from political power and cultural limited territory*. The company belongs to people who invest in it – not employees, suppliers or cities where it is placed. Mass production leads to giants. The most effective way for obtaining profit is to put labor to work, the worker’s income. Add massive accumulations at the medium class level, first in England, among retirees which returned from the colonies, then the USA, among the fortunate of the American dream. Stocks completely separated the owner from the producer. Having stocks became a simple wager: which stock will offer a higher and more certain dividend? Regarding everything else, new owners had nothing in common with the investment itself. This phenomenon separated the owner from the “land”, and was generated by the communication system and the American way of taking care of one’s own interests.

Writings on which once seemed to be the main concept of economic thinking – *Nationalökonomie* – resemble more and more to statistical fiction. There are no further reasons to name McDonald’s or Procter & Gamble American companies. In a world where capital has no certain home, and financial flows have exited the control of governments, many instruments of economic policy no longer work, the national state is eroding. Transnational forces are anonymous

and thus, harder to identify. They do not form a uniform or ordered system, rather a conglomerate of systems manipulated by invisible actors.

The type of unity created in small communities by a simultaneous presence and spoken communication, banners and manifests – which require minimum costs – does not survive at a larger scale. Social cohesion is a function of consensus, of common knowledge; it crucially depends upon knowledge of culture, ever since childhood. On the contrary, social flexibility is based on forgetfulness and cheap communication. The Japanese paternalist system is a negative example of the global system. But Japanese companies are among the largest in the world, and regarding the Korean crisis, the populace has had offered its own jewels and savings to help the economy. We must thus speak of **local and regional and global principles**.

Globalization has its origins in great urban agglomerations, which allowed for mass production which saturated collectivities and forced production to change course and stop being of mass proportions. Richard Sennett was the first great analyst of the contemporary city life which announced the imminent disappearance of the “public man”. In an artificial environment, calculated in order to maintain anonymity and a functional specialization of space, city people confronted with an almost impossible issue of identity. The experience of American cities reveals a series of quasi-universal common traits: suspicion of others, intolerance, resentment towards foreigners and requests to banish or isolate them, as well as the paranoid preoccupation for “law and order”<sup>80</sup>. Outside connections are made via credit card. Always on the move for “maximum profits”, meaning a bigger salary, the common city inhabitant loses his roots. After Nan Elin the fear factor is ever present, as the increase of security systems, sophisticated locks for both cars and apartments increases, as “barricaded” and “safe” communities are being hailed and destined for all pockets and ages, increased public places surveillance and also the abundance of perils which roam the media. *So, not living together, rather mutual avoidance has become the survival strategy in the contemporary megalopolis.* There is no longer an issue of hating or loving those close to you. If you keep them at bay, the dilemma is solved. The internet and www are not for everybody and they do not seem to ever be available for all. Even those who have access find it difficult to operate outside an established array of suppliers, which invite them to spend “time and money searching among numerous offers”. For the rest of the population: television. What are they looking at? The many look at the few. Those few are celebrities. They bring the message of an entire lifestyle. Their life, *their lifestyle*. Asking what impact this may have on the watchers means both worrying and having fixed hopes. This stage of globalization is unknown to the many. And economists often ignore it. Practical people appreciate it. It is the new postmodern consumption: the client sends electronic cash, and the goods, usually images and signs are delivered without the supplier having to make a single step; producer, distributor, etc. are just notions, precisely quantified elements which act according to a marketing plan. The pressure is immense on the isolated one, and he often bursts, but also in the imposed framework. Usually by tourism.

The most profound sense transmitted by the **idea of globalization** is the undefined, disorganized, and self propelled character of world issues: **a lack of center, of a command panel, of a decision council, of a management office**. Today, the richest and certainly the most surprising source of uncertainty is market behavior. Integration and separation, globalization and territorial divide are complementary processes. They represent two sides of the same process: redistribution of sovereignty, power and freedom of action all across the world, which was provoked (not determined) by a revolutionary leap in speed technology. The so called globalization processes have as a result a redistribution of privileges and lacks, of riches and poverty, of resources and sterility, of power and weakness, of freedom and constraint. We witness a re-stratification process today, during which a new cultural and social hierarchy is being formed: “glocalization” (term introduced by Roland Robertson, expresses the indestructible unity between

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80 We must see the whole, not only the blessed places, and not just Bronx, not the average, but the whole. America is not just a society, but also and firstly a system. And this extends towards other developed states.



“globalizing” and “localizing” tendencies – a phenomenon fully included in the globalization concept) which we can define as the process of capital, finance and other resources’ concentration, of efficient action and option, but also of concentrating freedom of movement and action.

Our society is a “consumption” one, in such a profound and fundamental way, the same we would use to say that the society of our predecessors, the industrial society, was a “production” society. Members of this society were producers and soldiers. “The Quota” was dictated by the duty of fulfilling both functions. But in the late modern stage, second modern, supra-modern or postmodern stages, society have no further need for labor forces for industrial mammoths and regular armies. Rather it has the need to speculate the capacity for consumption of its members. If philosophers, poets and prophets of morals in antiquity reflected on the problem: we work to live or we live to work, the dilemma we hear today is: do we need to consume in order to live or do we live to consume? Consumers are first gatherers of *sensation*; only then, in a secondary fashion, more intimate, they collect *things*. But is there a physical to consumption. Not only the capacity of ingurgitating, even that of services, which is believed to be unlimited, but especially the finite state of succeeding in procuring purchasing power. Once you’ve reached the limit, the buyer becomes residual, and is of no interest to anyone anymore<sup>81</sup>.

Traveling means, for the consumer’s life, a bigger pleasure than actually reaching the destination. The same as with all known societies, the postmodern society, and the consumerist society is stratified. In a consumers’ society, the discrepancy between the two dimensions – “those up” and “those low” – reflects the degree of mobility, their freedom in choosing where to go. In 1975, there were 2 million forced emigrants – refugees – in the care of the U.N.’s High Council. In 1995 there were 27 million. *Progressively, visas for entering a country are eliminated. But not passport control.* Seen as a metaphor of the new stratification, this unveils the fact that “the access to global mobility” has become the main and most important stratification factor. People pushed in the other pole are overwhelmed by the burden of abundance of a redundant and useless time, which they can not fill. They do not “own” time, but also are not under its rule, like their ancestors which lived under the sign of the clocking-in. Their time is void and null: “nothing ever happens”. Only virtual time, television time, has a structure, a timetable.

### 2.3.1. The new economy (experiences’ economy)

The “new economy” expression already has a rather defined meaning in economic theory. So, Paul Tanase Ghita says that the society towards we are heading is or will be a IS – KS society (Informational society – knowledge society). Expressions which have defined societies so far have contained a keyword (whether slavery, feudalism, capitalism) which synthesizes an array of possible social statuses on which people are inevitably situated, individually and / or as a group, considering some conditions, thus constituting a characteristic economic and social structure. Obviously, a keyword for the new society, which would reveal its contents, has not been found at this time. IS – KS is an expression which moves the name towards other spheres.

This forming society will create its new economic activity, or, in a more direct way, a changed economy from the ancient one, and even the actual one, which we call *new economy* so far, an expression which points out the fact that what is new will be so important and significant, that it will justify the name itself...

...we must recall the fact that the last two-three decades, there was a lot of talking around the subject of The New Cambridge School, which founded the New Economy. A group of renowned economists – J. Robinson, P. Sraffa, L. Pasinetti and others which, during their career, worked at Cambridge University for a while, or visited that place or just simply, in their research,

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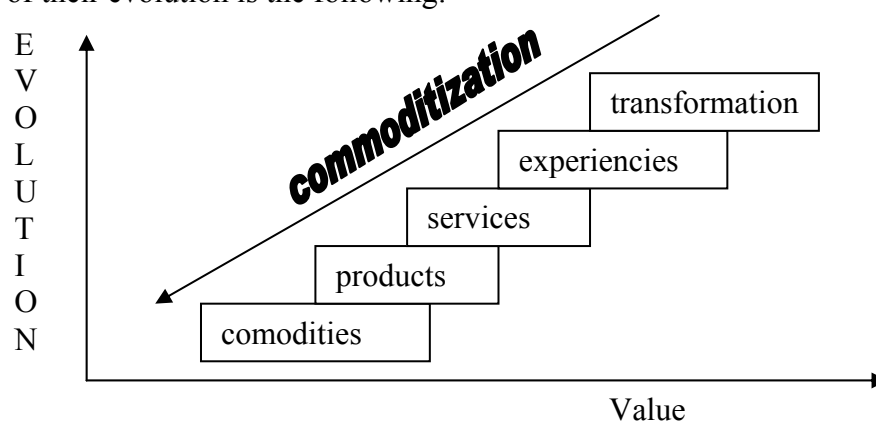
81 As bizarre as this may seem, but such phenomena begin to occur here as well, in temporary “niches”: for example, stock holders (especially the unique ones) of the new limited companies do not present interest for banks as long as they “pay” as wages for themselves only the minimum economy income, not fitting crediting patterns. And this is where most of them lay.

they've reached the same conclusions – they constitute the hard core of this New Economy. Premeditated or spontaneous, they studied to what extent neo-classic and classic explanations from the economic science still remain relevant and in accordance with today's reality. Obviously, they gave new explanations or issued new conclusions, often categorical, which, as a whole, were labeled as “The New Economy”.

**We wish to point out another aspect, which is relevant to contemporary tourism from the age of globalization.**

The **New Economy** is, in Samhoud's Service Management (Netherlands) Hans van der Loo's vision<sup>82</sup>, the effect of the passage from **PRODUCT** => **SERVICE** => **EXPERIENCES, EMOTIONS**. From a historical point of view, he considers the 40s as the years of organization and mechanization, the 50s the enterprise period, the 60s as the years of urban collectivities, of ecosystems. Since the 70s we even developed systems dynamics. The 1970-1980 period, thanks to the Report of the Rome Club, of 1972 and of the World Conservation Report in 1980 is the industrialization period, of a visible manifestation of its negative effect, of integrating human activity and ecologic activity and eco-factors, participation in decision making.

He even distinguishes between an “American” way versus an “European” way of interpreting “experiences” (emotions, experiences). According to the American way, illustrated by Thomas H. Davenport and John C. Beck in “The Attention Economy” experiences, emotions are the new modern religion, the “consumption cathedral”, the new currency of business. A draft representation of their evolution is the following:



Starting from Max Weber's “velvet cage” theory of the 70s – 80s, from George Ritzer's 80s McDonald-ization (under the motto “anytime, anywhere”), where we had:

**Value for consumer = results / price**

(Not the value of the product, rather the *value for the consumer*, in the consumption society!)

Once service marketing is introduced, this becomes

**Value for consumer = results + “process” / price + effort**

including the process itself, not only palpable results, but also the “relation transaction effort”, ergo the one intrinsically bound by the behavior of “the actor producer”.

As soon as economy passed in the experiences domain, the formula becomes

**Value for consumer = results + “process” + “experiences” / price + effort**

while everything is subdued to managing the whole experience of the client.

82 Van de Loo, H. – *The consumer perspective: quality of experience* – Conferința ATLAS “Quality of Life” - Leeuwarden 2003

Hans van der Loo also gives, according to Michael J. Wolf – “The Entertainment Economy” a construction of experiences which are made from the classical *offer* plus: *entertainment, sensation, action, authenticity, personalization, feeling, relations*. The first three are characteristics of the first generation of economics where as the last four belong to the second generation.

This theory is, of course, valid in developed countries with great accumulations, which are also generators of the globalization phenomenon. The rest of the world may only tend towards such a state. It must be analyzed however, given its connection with the tourist activity.

## 2.4 State role in the market economy and in transition economies

The need to pass to the free market economy, a form of economic organization, the only one capable of releasing mankind from the actual stalemate has become a banal truth. But by following international economic information from economically advanced countries one can observe that their specialists think and moreover issue different opinions. Quoting from L'Expansion nr. 422 of 1990<sup>83</sup> from the article “The state tomorrow – fewer interventions, more arbitration”:

“In Eastern Europe, communist successors wish to make the State “tabula rasa”. Actually, *ultra-liberalism has become out of fashion*.<sup>84</sup> The weakening of political power in the 80s revealed its limits: fewer social cohesion, financial abuse fever, increased corruption (...) today, a consensus was reached on the necessity of the State. To do what? (...) The death of the State ... the resurrection of the old State...Neither one, nor the other: the birth of a new state. Its main legitimacy source is the arbitrage between opposite interests which only it may do ensure impartially (...) it is a cultural revolution”.

Edith Cresson explains:

“The state should not be a passive agent!” (...) Nobody cares for all the close operations for which the private sector is theater (...) but we would have wished that the State did nothing, and not to react. This is not my conception (...) It is the duty of the state to have a long term vision (...)”

Lionel Stoleru states in the same number:

“...Europe does not have an organized hinterland. The USA has constructed an integrated economic area with Canada and Mexico (...) Japan (...) annexed a dollar area by the “four dragons” Thailand and other South East Asian countries.” On the other hand Europe could have done the same with Eastern Europe and North Africa. These two areas should have allowed it to gain upon production costs and other comparative advantages in the profits of the entire area...”

Regarding “advices” for the East, enthusiastic opinions, we meet more and more often nowadays, at politicians or western economists the political and economic realism.

“The relentless repetition of slogans ‘the inevitable change’ and the ‘necessary restructuring’ have spearheaded and accompanied the rapid supervised opening of national economies and cultures towards foreign exploitation everywhere, without barriers against commerce or investments’. But there is an amazing gap between the dominant ‘ideology’ of the ‘free and self-sufficient global market’ and the reality of tens of thousands of commercial regulations which are imposed all over the world in the process of secret and rapid expansion which institutes the absolute right of private demands made by multinational corporations which submit the selected legislatives anywhere in the world” – says professor John McMurtry, of the Philosophy Department of Guelph University, Ontario, Canada.

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83 We are in 2003, but the way of thinking that the state must quit the economy as a whole has not changed here, for most politicians, in spite of 14 years of opposite examples

84 our underlining

The truth is that the opposite of “free markets” stands in labor. The free market exploits, takes advantage of an unstable equilibrium to accumulate, whereas labor produces, creates. Since the fall of the Berlin Wall, financial interests and the media have unleashed together an overwhelming agenda of global corporate rules on governments worldwide. The rules are political, but silent (classified). Whether governments execute this agenda as it is given, or floating capitals and special funds will go somewhere else and resistant leaders will be either ignored or defiled by the corporate press. The public is assured that a “substantial growth of development will solve everything”. The requirement is that global competition may be free of taxes and regulatory barriers instituted by the government. But the harsh reality is exactly the opposite of the growth of standards of living and of new freedoms for the peoples of the world. One might say that the propaganda is a bluff, which, at least so far, is working.

There are theories which claim that nations become so interdependent from an economical point of view that the tendency towards fighting decreases. Commerce, not military power, is now the path towards global power, said Bill Clinton in his campaign for election as U.S. president.

By the élan of transport means – now when time and space compress, according to David Harvey’s formula – some objects move quicker than the others. Economic capital – meaning money and all the other resources needed to create money and again, resources – are moving fast. Fast enough to always be one step ahead of any form of State organization (no doubt, territorial) which may attempt to include it and hijack its routes.

As a paradox, it is not the triumph, but the death of State sovereignty that made the idea of the State so popular. As Eric Hobsbawm noticed, as the Seychelles Islands have the same quota when voting in the U.N. as Japan “it is expected that most U.N members will soon consist of 20<sup>th</sup> century replicas (and republican) lands as Saxony-Coburg-Gotha and Schwarzburg-Sonderhausen”

The function to which the orthodox state renounced – or which was taken from it – is maintaining that dynamic equilibrium, as an approximate equality between growth and productivity increasing rhythms – meaning that what determined sovereign states to ban certain imports or exports for periods of time, to close borders or to stimulate the internal demand formulated by Keynes. According to the verdict of Latin American politicians, due to the “porosity” of all national economies and due to their lack of perennial perspective, imprecision and non-territoriality of their operating space, global financial markets impose their effects on the planet. States do not have sufficient resources or freedom of movement to support such pressure.

Commander Marcos, leader of guerillas in a Central American state, said: “In the cabaret of globalization, the State strips, and at the end of the show, it is left with no pants: repression force”. The new masters of the world must not govern it directly. They entrust national governments to foresee their businesses.

Due to the extent of free trade laws, of free capital and finances movement, “the economy” is gradually exiting public control. The first signification of the term “economy” is “the non-political area”. What’s left of politics will be coordinated by the state, but all aspects of economic life will remain unavailable to the state: any attempt to modify this will clash with a swift and prompt riposte of world markets.

We concede with a doubt: is the State dead? Is it transformed? And into what?

## **2.5 Global technocracy**

Once the separation between owner and propriety, a new element appears in the great corporations: technocracy. An entire literature was dedicated to it. There is little talk however about the graduates of the French Institute of Sciences, which, even troughs their graduation photo, at the beginning of the century, have managed to set the basis for a real technocracy. Strong bonds between them, mutual support, a certain coordination of goals for various in-groups has lead to the acknowledgement of a guild spirit at a time when economics became a strong and money-creating instrument in the hands of the State, precisely their field of operations.

There was much more talking regarding the American technocracy. The golden rule, **obtaining a greater dividend than banking interests**. At this time, stockowners, ergo most of the owners were no longer important; rather only important as they were “significant” stockholders, which with one could negotiate. Management was changing.

Mass economy lead to a pyramid type system of technocracy, which was limited to the superior levels of the hierarchy. One production was no longer a mass issue, with the appearance of information industry, the pulverizing of the markets, “particle marketing”, the disappearance of differences between the time and place of work and with the whole *leisure* concept, technocracy receives new dimensions: it becomes democratized. The number of those who give up the hierarchy increases as incomes obtained due to globalization increase as well, thanks to unknown places and people. At the same time, while some are becoming poorer and are “tied to the ground”, others become mobile and rich. Executives of great transnational corporations realize that the wealth of the company increased or decreased without knowing the causes. It is not economical, as costs are too high when compared to recovered values. They had to specialize on “the big picture” – “the global image”, the general strategy that only *steers the ship onto the trend*. The effective work is carried out by other white collars of the company, those who know only a piece of the business and consumers, from where continuous profits are coming. And they get their share. And this world has come to know itself, if not individually, then by belonging to a class, a typical lifestyle of a technocrat. And fear of poverty.

For the inhabitants of this world, the cosmopolitan world, extraterritorial to businessmen, culture or globally oriented universities, state borders are vanishing, undermined by planetary goods, capital and finances. They travel where they wish; they’re enjoying themselves especially if they fly first class or with personal planes, are invited and lured to travel. Seen as a metaphor of the new world order, it unveils the fact that “the access to global mobility” has become the most important stratifying factor. For the world of those globally mobile, space lost its constraints and may be traversed easily, both in its “real” and “virtual” meanings. The shrinking of space abolishes the time flow. Inhabitants of this world live in a continuous future, in a succession of isolated episodes, isolated from both past, but also future.

This summer, I’ve known two middle-aged who were employees of an international commercial firm, which spoke five languages and had three apartments in three countries...they are moving constantly, the type of culture to which they participate is not the culture of a certain space: it is time culture, a culture of the absolute present. They travel regularly from Singapore to Hong Kong, London, Stockholm, Tokyo, Prague, and so on. They always reside at the Marriott. They know for sure where the light switch is...foreign universities are not foreign to them. After each class, they are being asked the same question, whether in Manchester, Singapore, Paris, and Tokyo. This is the new world of technocracy, with its layers. They are the first to find out where the world will go, what must be done even before others suspect it. You see them in all super-hotels in the world, on luxury cruises, in exclusive restaurants, in sport parks closed to the crowds. Immense prices protect them from intruders. If not, they hide beyond clubs or “members only” buttons, on the internet. You do not see them in regular holiday spots. They have no holiday, their job is holiday. These are special destinations for them. They meet with each other, they pass by knowing what they are as if they sense some kind of smell, they salute with an uncanny politeness and pass on. They do not “socialize”<sup>85</sup>, they communicate for their business.

I have never come across Romanians in such places. That is why, perhaps, information reaches us from newspapers, when it is already past.

## 2.6 A possible diagnose on contemporary economy and globalization

Theories and opinions regarding globalization are overwhelming in number. The totality of the theories attacks the problem horizontally and/or only sequentially so they remain what they

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85 see English verb *to socialize in* Annex 3

have been. Few try to see the phenomenon in its place, as part of the ensemble, as part of the system and to try and decipher the morphology, the physiology and its eventual pathology:

- Nicholas Georgescu Roengen says: “entropy”<sup>86</sup> is an index of relative quantity of energy comprised in an enclosed structure<sup>87</sup>. Erwin Schrödinger says that “any living structure maintains itself in a degree of quasi-equilibrium, by absorbing low entropy from the environment and transforming it into high entropy”. Waste is produced in such a way.

- Human being is part of a bionic matter, but with a high degree of organization, capable of abstract thinking, thus resulting noesic matter – as Macovschi’s theory states. In order to maintain structure, entropy, ergo the dimension of linked information, being a lightly degradable system, is forced to take on continuously from the outside by degrading low entropy. This process is known as labor. We state that the main principle of this process is the saving of means, popularly known as sloth. That is why man uses tools or force.

- Noesic matter has three commandments: subsistence, perpetuation and culture, characteristics linked, concomitantly and parallel, conditioned one by another. If we regard the “time dimension” in an empirical system, on a temporal axis<sup>88</sup>, we can observe that, from a quantitative point of view, perpetuation has an exponential trend, contemporary time being on the upper side of known evolution. Furthermore, “in time”, noesic matter appears as a treelike structure. But individual subsystems (people) do not perceive more than the present, they remember the past and may imagine the future. The evolution of this structure is marked by the war-peace cycle, as a way to solve accumulated tensions.

- Tools were developed by culture in a similar rhythm. From prolongations of human force they become structures with their own organizing laws. Quality, so culture lead to a new structure on its own entropy: economic systems for the transformation of low entropy. N.G. Roengen says: “That is why one must make a clear separation between the process of a production unit (power plant or enterprise) and that of *industry*. What I want to say is that an industry may extend by the sum of *unrelated* production processes, whereas the development of a production unit is the result of an interior morphologic modification”. Today “noesic” and “productive” structures coexist in a symbiotic way; some gained a certain autonomy by imposing their own laws on noesic systems leading all the way to their transformation, ergo resulting almost combined systems (or possible in short periods of time).

- The “force” that acts between noesic elements – called collectivities – is of a contrary sign with entropy. To maintain entropy, organisms, like a unit or like a crowd, transform low entropy in high entropy, in order to maintain “tension”, coherence of biological and noesic structure. Whereas force has a contrary effect. It accumulates energy obtained towards a pole, quantitatively minor, in the detriment of the rest of the structure. This act as a brake, but in the opposite direction, which by “attrition” speeds up processes like in cancerous cell. When this phenomenon manifests itself

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86 “we do not share the ideas expressed by the notion of “entropic society” (which expresses a certain degradation, disorganization, a certain lack of balance) in the way given by Hazel Henderson (1977) to the “entropic state” (*a society at a level of development in which complexity and interdependence have reached a point in which transaction costs are equal or surpass productive ...A system which can not be shaped, can not be ruled*) nor the over-appreciation of ecological crisis, a time during which, *to obtain lesser and lesser amounts of energy we spend more and more amounts of energy* (thus ignoring the quality of the new “energy” and its “support”, both as an individual and as a society) Already Prigogine enounced the theme of the *minimum entropy production*, in contradiction with Carnot’s principle, eliminating the paradox, showing that man must not be considered isolated (a closed system), but that *he forms a rather complex system with the surrounding environment, a stationary system, characterized as close to the equilibrium state*. . He called this new form of “order” a structural one, this “open system” “dissipative structures” (adaptive structures). The double quality of life (to conserve and perfect structure) is no longer a particularity but a general characteristic of open systems, and we add *evolution systems*), meaning existent systems, during a time span. N.G.Roengen will apply the theory to human society, to economics and not only” - after V. Roman – *Echilibru și dezechilibru*, Editura Științifică și Enciclopedică 1978. Furthermore, 30 years have passed since!

87 We understand entropy as a general characteristic of **human open systems**. See the above note.

88 After N.G.Roengen “time measurement, as several other physics measurements, is based on a convention which is mostly arbitrary”

on the entire known noesic system (mankind as a whole) we have a situation similar to metastasis, which is not necessarily an irreversible situation.

- If we were to make a transversal section through the noesic matter, at the time of the section, we will notice that the entire noesic matter is characterized by a lack of balance, given by the way of producing and distributing energy obtained through the transformation of low entropy matter, based on the relative force of elements (individuals or groups of individuals). The strongest, after the completion of the energy deficit, transform the rest into *accumulation*, which give them a relative advantage as a consequence or as an action per se. "Given the fact that from a material point of view, the economic process consists of transforming low entropy into high entropy, meaning wastes, and given the fact that this transformation is irrevocable, natural resources must represent at all costs a part of the notion of economic value...the real product of this process is an immaterial flow, the pleasure to live", says N.G. Roengen.

- Since the dawn of "history" exercising force and accumulation were local, but once typical structures achieved an annihilation of free space between local areas due to the transport system and accumulation, they became *global*, meaning they affect all subsystems. So, on one hand the process of exercising force (also of an exponential type) became more intense, applied to the entire known noesic matter, being called a globalization process, and on the other hand, at the same time, force – now lead by the maximum profit principle – realizes larger and larger accumulations required by ever-developing levels of productive systems.

- Contemporary times confirm H. Bergson's theory. "A being may only avoid the entropic degradation of its own structure. It can not stop the growing of the entropy of the entire system, which comprises of its structure and the environment. On the contrary, as we know today, the entropy of a system increases, in general, at faster paces in the presence of life than in its absence" – the phenomenon of an ecological degradation of the environment, which can be a variant of the final point in the perpetuation of noesic matter.

- Another variant may be the one where the productive entropy transformation system becomes independent, based on another element, rather than carbon and water, like in the case of bionic matter: on silicon for example. In parallel, noesic matter may achieve new speeds/dimensions. The thought, although based on yet unmeasured speeds of chemical processes in the grey matter and senses has a yet unknown speed (unmeasured). From the point of view of the noesic structure, which is situated in the past there may be various higher dimensions, as is the case of archetypal mass means of communication. "Actually only an emphatic interpretation" (in Greek *emphatheia* = penetration, with the help of imagination, of someone's conscience) if trends and states of spirit of a contemporary society which may ease the tough task of the researcher studying it, a task that may not be transmitted to any instrument. Only a human mind may find out what other humans feel and what drives them...<sup>89</sup>" or may derive to see the ensemble from the outside. Another variant is that the symbiosis of the two systems identifies the enisic matter and at that moment, anything is possible...

In conclusion, globalization is a consequence, a stage (perhaps of short lasting) of the noesic matter (mankind) in which the two symbiotic systems (man and the productive system) have surpassed time and space conditioning. As there are no fundamental changes, human nature remains the same, but on the development level of contemporary times.

#### **4. International tourism: an expression and argument of globalization. Predictable trends of its evolution**

International tourism is the most well-known part of tourism, so we know that it does only represent around 20% of the total traveling. 80% is "internal tourism", known in the specific literature as "domestic" tourism.

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89 Roegen, N. G. - *Legea Entropiei și procesul economic* - Ed. Politică 1979

International tourism became the star of the tourism activity both for its contribution in external balances of payment but more especially because it was, *during the Cold war, when mass tourism also exploded, an exception which proved liberty, and especially the superiority of the capitalist system.* Immediately, competition between the two blocks expanded in the tourism field as well, being a very persuasive argument.

Tourism is a very complex activity, which unites elements from all areas of economic activity but also involves political systems, legislative and financial ones, etc. Still, in its core, contrary to the usual opinion, is not tourist infrastructure (especially not for core services), rather a *mélange* of elements from which we must point out the most pregnant: culture, in all its shapes and sizes.

Tourism is a complex activity because of its staggering capacity of different ingredients of that type of activity. Due to this cause, in order to analyze some of them, **we have composed in Annex 1 a projection of tourist activity.** Any travel consists of most of this sketch. When we talk about the tourist product<sup>90</sup>, which we define as a complex of unitary organized services and sold together in order to create a journey, then we practically include most of the elements of our sketch. If, however, we have a foreign element, then we are already in the situation of international tourism.

International tourism demands patience in its analysis: the same ingredients which have a different meaning, based on who, how, why, etc. concerns them. We are thus compelled to remind several basic elements in order to avoid confusions in the interpretations of our analysis. This is required as diverse authorities involved in the analysis of tourist activity could not agree on the meaning of the terms, as we have already seen. The recent date of quoted references is proof still that it has been very hard to include the complexity of the tourist phenomenon since its beginnings but also (only) its transformation in an important field in economics and life in general, which lead to the beginning of the world unitary encryption.

So, we can make a distinction between the visitor and the tourist. According to the World Tourism Organization (WTO)<sup>91</sup>, tourism includes activities which take place during a voyage of and trip outside the usual residence for periods no longer than a year, with a leisure purpose, a business purpose or other such reasons. "Visitors" are people which travel towards a place situated outside their usual residence for less than 12 months, and whose main purpose is other than to exercise a paid activity in the given location. But the WTTC (World Travel and Tourism Council) defines: "a visitor is a person whose voyage is limited only to a day ("excursionist"), or lasts more than 24 hours ("tourist"), whereas the voyage is a traveling made for both professional and personal reasons (and not necessarily leisure). We can thus call a visitor a person from San Diego, who travels to Tijuana to fill up with cheaper gas, as well as the smuggler who brings illegal narcotics from Ruse to Giurgiu, as well as the Romanian that goes to the Bekescsaba Sausage Festival or the individual from Monaco that visits an exhibit in Nice. All these have a common element: they imply a passport visa, which makes him/her "accounted for" as a foreign traveler / tourist.<sup>92</sup> Furthermore, a Japanese coming to Vladivostok is accounted as arriving into Europe (Russia). We now have explicit examples regarding the attention which one must give to statistics and the one that interprets them: results may be completely opposite.

International tourism comprises of two simultaneous movements, which come together: leaving abroad (arrival in the destined country) and the arrival at the destination country (leaving the country of origin). They are known as "incoming" and "outgoing". Normally, they should be of equal value. Practically, they are contrary, sometimes opposite. Money with which a tourist

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90 The term tourist service pack is being used, which is equivalent. The word "product" comes as a result of the spreading of market researches and studies.

91 After "Recommendations regarding tourism statistics" series M nr. 83, New York 1994 page 9 and 20 quoted in Tourism Satellite Account (TSA) in the report of the international Nice conference, June 1999, as a result of efforts made by the WTO and the WTTC for the elaboration of a unitary statistical system. See onwards details regarding the chapter concerning the statistical system.

92 Not for the Monaco one, but we will tackle the aspect of visa cancellation in the following



leaves are an “import” for the country of origin, and at the same time they represent an expense and an “export” (called “internal export” here) for the destination country which ergo has an income. In tourism, goods do not travel, rather the consumer! This characteristic misleads many times, especially when talking about structural analysis. For example, from the total of a value of a tourist product a considerable amount may be the commission of the tour-operator and of the local sales agency, a sum that “remains” in the country of origin; the same goes for insurance, payment of accompanying guides, services paid in the country of origin (aerial transportation, transportation by coach, etc.). Another big part of the price paid may be “returned” to the country of origin by payment towards the country of destination of products which are considered compulsory and which, they may not be produced or certified in the country of destination and which are exported from the country of origin. Calculations made in developing countries, especially those from Africa show that sometimes “internal export” realized by them from tourist incomes are inferior, as a voluntary contribution from “tourist lohn” activities, which contradicts the idea that tourism aids poor countries to develop, because these are the ones that support costs for holidays of tourists from rich countries. This also led to an ever increasing pressure on restraining means by which importing tourist countries (countries of origin for tourists) may use them to repatriate the amounts spent by their own tourists. This is why, every time, we must situate ourselves on both positions in the analysis of international tourism activities.

In the same way, we must analyze closely the effect of notions such as “arrivals”, “departures”, “country of origin”, “incomes”, “expenses”, “foreign investments”, “direct investments”, “local investments”, etc. for a correct evaluation of the phenomenon: in a contrary case, usually the meaning is exactly the opposite.

International tourism involves permeable borders. Without a quick border passage, without a short time allocated to formalities, including customs, millions of tourists traveling between countries would be impossible. This meant a massive restructuring of the border control system. But this step also has two sides: while for some tourists from rich countries formalities become simpler, tending towards annulment, for citizens of poor countries there is an entire system of stopping them from crossing borders in order to control migration. We do not refer only to compulsory visas and their caftian system, but their entire ensemble of control and repatriation of those who try to travel illegally. And, as an irony, these measures are applied mostly by authorities from poor countries. For citizens of 85 states, obtaining a Romanian visa is harder than to obtain an American visa. And this is a first measure to avoid that Romania becomes a transit point for illegal immigrants. The situation is mostly not known by Romanians, but even when Romanians were waiting full nights in line the opinion was favorable, in the hope that by collaboration the canceling of visas for Romanians will be achieved. Some states even have actions of discouragement at their border crossing points for traveling to poor states: the roughness of American state workers is well-known, a roughness which is applied selectively, and with moderation in time: for example, German citizens required a visa until 1970, which was hard to obtain and took long enough, and at their entry into the United States, they were submitted to an interrogation, whereas today things have changed.

### **3.1 Several defining characteristics of tourism globalization**

We will begin by briefly reminding several defining characteristics of tourism globalization. The term “globalization” is comprehended by both DEX and Webster definitions.

- The organization of international tourist actions compels a surpassing of a country’s own borders and the apparition of regional structures of a global type
- The concentration of capitals in tourist infrastructure is very fast, hotel chains, cruise companies, international trains, etc. appearing even before the First World War (hence the term “tourism”). The needed logistics for transportation: car, train, planes, etc. had to be organized by global or even world structures

- The volume of required capitals to some elements of infrastructure required the concentrated effort of regional structures, and sometimes even states
- The tourist product being an intangible one, determined in a decisive manner by the quality of the labor of hired personnel lead, on one hand, to the timely apparition of certain conduit rules which were officious or official but also to larger-than-state or international regulations, some adopted freely by economic agents of other states, others applied by necessity, even against their will
- As soon as mass tourism occurred, there have been institutions and transnational or international regulations
- One of the most subtle actions of tourist globalization is the intense lobby that it makes for itself. It gets as far as an area does not exist – pure and simple – as a tourist attraction, if global professional structures of the global tourism technocracy have not penetrated that region
- Tourism is a means of global media, having all the characteristics of mass means of information means, but with a far greater persuasion power
- Tourism is a global activity since its beginnings, from the moment a passage was made from travels (reserved for people with money) to using the spare time of the worker in order to produce profit

### 3.2 From voyage to tourism (a brief history)

Homo sapiens traveled always. Whether after food, whether looking for shelter, or just because of boredom, for pleasure. Evolving, his travels became longer; whether with a return (as Odysseus in Ithaca), whether without a return (like Aeneas towards Latium). Whether for pray, migratory, whether for “business” as the Phoenicians. But also out of curiosity, as the ships of King Solomon for Africa! Or even for war. Man built roads, bridges, ports, he tamed the horse....but especially gathered information. As a common feature to certain travel types – recalled plastically – is an element which we will find in modern tourism as well: the guide, the one that knows the road, knows the people and the places to where he travels, and may protect you. All successful travels had an able guide. Towards the second millennium of our age, the infrastructure develops and with all the dangers surrounding roads in the Middle Ages traveling multiplies. Even armies organize systems of information for the guidance of troupes. But we are still far from what we call tourism today.

Movements of population, similar in amplitude (not purpose!) of today’s mass tourism took place in history. A million years ago Homo erectus left Africa for the Orient and Asia, then 350000 years B.C. Homo sapiens leaves for Africa, Europe and Asia. We have proof that 4000 years ago the Sumerians knew writing, currency, the wheel and ....the concept of tour guide<sup>93</sup>. Between 2000 – 332 B.C. the Phoenicians are the great travelers. Then Homer talks to us about the Greeks, Alexander the Great organized expeditions which will leave a massive impact. At the dawn of the new millennium, Europe becomes a fortress<sup>94</sup>. Asia sends countless nations to conquer and fecund the ancient “Europa”. But even their own peoples search for the place to create national states. The invasion of Genghis Kahn follows the Muslim pressure in the south east and moor pressure in the south west, the crusades, and the napoleonian wars, but mostly the Great Geographical Discoveries, which will set the basis for new geographies. Religious intransigence, lack of resources, land in particular, the perspective of fast enrichment forces waves upon waves of Europeans to depart for the New World. 1880 – 1913 is known as “The Golden Age” – the **period of classic tourism**. The two World Wars will bring us **mass tourism**. And not only: in 1969, Neil

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93 Charles R., Goeldner R., Brennt J.R., McIntosh R.W. – *Tourism – Principles, Practices, Philosophies* – John Willez&Sons,Inc. 2000

94 More on the subject - Ilie Rotariu, *Tourism as mass media: a suitable global tool acting locally - a possible option to appraise the European heritage on the 21st century* - The ATLAS Winter University - January, 2001, Pecs, Hungary "The past 1000 years - Our common heritage?"

Armstrong, Edwin Aldin and Michael Collins travel to the moon. A year ago the age of **space tourism** was inaugurated by the flight of the first “civilian” cosmonaut, and the waiting list has become larger and larger<sup>95</sup>.

Since antiquity, slowly but surely, information about the world increases, “guides” become all-knowing. The world “shrinks”. There have always been great travels. But at the middle of the last millennium there is a new phenomenon appearing: traveling starts to have a point of origin: Europe. And a declared common purpose: *the christening of savages, the redeeming of their eternal lives*. What started this process? We believe it was both the overpopulation of Europe<sup>96</sup> as well as the agglomeration of divergent and irreconcilable opinions and vanities, especially religious ones. And economic development is important as well: the Europeans were the most skilled not only in building means of transportation but also in using them. Although, we believe that the “relentlessness” of Europeans is genetic. Even while gone in the Americas, they are not stopping there and leave that place as well....towards Europe.

In order to reach tourism we must quote several important moments from the history of tourism<sup>97</sup>

- 1822 - Robert Senait of Bristol is the first tourism agent on a steamboat.
- 1830 – first passenger train between Manchester and Liverpool
- 1837 – railroad companies build the first hotels within train stations’ perimeters
- 1840 – the first cruise steamboat is launched
- 1841 – Thomas Cook opens the first tourism agency
- 1850 – American Express is created
- 1879 – Thomas Cook organizes the first trip in the U.S.A.
- 1889 – The Savoy, Claridge and Carlton hotels open their first hotel chains in Europe
- 1902 – the Ford T model is launched, which will determine a development in road infrastructure and building of motels by 1920
- 1910 – the first school of hostelling and restoration is opened
- 1914 –130000 automobiles travel on the roads of Great Britain
- 1919 – daily Lufthansa flights from Berlin to Leipzig.
- 1930 – the number of Englishmen which pass the Channel reaches 1.5 million
- 1934 – the first aviation company in Great Britain
- 1938 – The British Parliament approves a week of paid holiday for all employees
- Since 1950 – aerial transport becomes widely affordable
- 1957 – the number of plane travels surpasses that of cruise travels
- 1983 – 77% of employees have 4 – 5 weeks of holiday
- 1987 – the number of overseas visitors surpasses 15 million

But we must bring further proof and argument:

The development of the *leisure* sector throughout time in England

Chro-nology	Political, Economical or Social Act	Political effect for leisure <sup>98</sup>	State role in the leisure activity	Commerce role in leisure activity	Society’s role in leisure activity
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95 Enumerare după Charles R., Goeldner J.R., Brent R., McIntosh R.W., *Tourism – Principle, Practices, Philosophies*, John Willey & Sons, Inc, 2000

96 today the density of the population on the old continent is of a few hundred inhabitants / square km, while in the US and Canada it is of a few tenths.

97 Davidson.R - *Tourism* - Ed. Pitman 1991

98 In English - recreation or leisure – but with different meanings throughout time. Mostly, it’s about activities opposed to work activities.

1780-1840 popular parties suspended	1834 the amendment of the law for the poor	1833 the suspension of blood sports	Tries to control and stop destructive leisure	Small entrepreneurs take the place of aristocrats	The forming of organization which control the organization of workers
1840-1900 the erosion of the laissez faire policy, the beginning of social economic policies	1938 – the Parliament approves for a week's paid holiday 1847-1867 Factory law 1870 Education Law	1846 Public baths law 1849 – Museums law 1850 Libraries Law 1852 Recreation Ground Act	The state supports the individual effort for the develop- ment of entertain-ment	Capital investments grow for example: sports and concert halls, equipment for mass entertainment	Middle class paternalism but also the control of organizing entertain-ment
1900-1939 Social reforms which set the basis for state well-being	1902 Education law 1908 Retirement Law 1911 Health – insurance law 1934 Unemployed assistance law	1907 National trust law 1909 Development of cities law 1919 The training of the recreation commission 1937 Sports law 1937 Mountain access law	The acknowledgment of the role of the State in recreation	The increasing of imported forms from the USA: cinema, music etc. New technologies: radio, cinema, automobile. New investments which are directed towards that	The institutionalizi- ation of national organizations and of voluntary groups of pressure and control
1944–1976 the growth and maturity of the well-being of the State	1944 Education Law 1945 Family aid law 1945 Park access law	1946 The Art Council 1946 Sports Council 1975 The white Charta for sports and recreation	The increase of recreation expenses as an element of social consumption	A relative decrease of the industrial sector, service increase. Investments explode in the tertiary sector	The increase of recreation quality control organizations The dissolution of local organization on labor criteria and the development of the one oriented on the location criteria

Source: Hanry 1993 after Media and cultural regulations

A quick overlook of this table reveals that the British state intervened in a major fashion in the development of the *leisure* sector. Actually, ever since the wild industrialization period in England the king had to protect the quality of his soldiers by establishing limitative norms for working youth until recruitment. The military imperative was stronger than the pressure of aristocratic groups and that of workers pressure for a more human life for workers.

We can already foresee that restrictions in practicing tourism – mass tourism – known as “available time” and “money” can be a myth.

In 1866, the sleeping wagon of “Pioneer” Pullman began to demonstrate the aristocratic luxury. Pullman possessed the same instinct which Henry Ford inherited almost half of century later: he was good in encouraging latent desires of the public to the point of transforming them into needs. Both careers circled on the same problem: how to democratize comfort elements<sup>99</sup>.

This can be better seen when analyzing **the development of the *leisure* sector in the U.S.A.** At the beginning of the century, Ford was looking for a solution to benefit his business: car manufacturing. But, considering poor wages for the working class of America, that critical number was unsurpassable, that minimum production from which the business would become prosperous. Ford’s decision, to increase the wages of his employees will increase the entire life of the century.

<sup>99</sup> Giedion S. – *Mechanization Takes Command* – pag. 457

Ford began a process which would develop as a snowball: he gave Americans the possibility to live over their normally considered existence level, in the old economic system. The simplicity (or the lack of profundity) of most Americans, whose lives depended on the exclusive power and role of money made them adopt a new faith (in addition to the one brought forth by Pilgrim Fathers – individual freedom) and a new god: the automobile. Highways<sup>100</sup> networked America in order to give satisfaction to the restlessness of this nation of emigrants, their nomadic spirit<sup>101</sup> and subdued the entire economy and development to the new god.<sup>102</sup> With all the risk and the consequences on the environment, on the world. The unpopulated American landscape was now able to be crossed lightly and democratically, by the working class as well. Soon after, along the highways came hotels, restaurants, fun parks, etc. But not for the rich – which remained locked in their world – but for the crowds. Quantity brings small, but many profits. And as the desire within the American blood became greater, concentration began, hotel, restaurant, service chains appeared, etc. But all of these were BIG, gigantic and ever-expanding. We must remark the fact that each such giant has its own philosophy (deriving from the philosophy of the success owner). So here is now, totally unexpected, *the American working class was put to have fun: simply said, to ensure critical mass for profitable production for Ford and his*. In essence, to maximize present profits even during its free time. So, during weekends capital could be also exploited, and from 6 working days, we passed on to 7. “Contemporary man, by reducing the day, week, year and work life, has more and more leisure time. The increasing desire to cover greater distances, to increase his sphere of action, to diversify his products, and so, his destinations, made him a great devourer of space which must be arranged, exploited, managed and protected...” says Alfonso Passera in the message of president Skál towards the members.

Much later, after the war, the concept gains a democratic expression, and the media shall breathe a human dimension onto it. Tourism, for that shall be its name, will become a pioneer, a model and a promoter of globalization.

After the Second World War, the USA “blasted away” its borders. The philosophy, capitals and organizing fashions spread throughout the world, in search of new profits. Globalization was beginning, through the special organization of means for people to travel.

The next moment, also noted in the example regarding England is that of the need for converting the aerial industry from war bound to civil bound. Huge capitals were concentrated here, as well as special labor which needed to be protected during the Cold War. A few million soldiers were stationed home. After the incarceration, reconstruction, etc, they were unable to return to factories where, their emancipated (due to the war effort) wives were working. A “valve” was needed which on one hand, would preserve super-specialized personnel – like personnel from aviation – and on the other hand which could put to good use capitals from strategic industries, like aviation, avoiding thus a generalized unemployment, especially in winning countries. The launch of the atom bomb already announced the Cold War and even local wars. But, a quick solution was needed<sup>103</sup>. So, the IATA appear, charter flights with low prices appear: the great summer migration: first towards the south of Europe, towards the sun, then the Canaries, etc. towards California and Florida and Cuba or the Caribbean Islands for the USA.

A new impulse will be given in 1951 when the Diners Club will launch its “credit” card.

If we are to follow the evolution of the mass tourism phenomenon we can observe that this has the actual meaning only after the passage from “voyage” (reserved for the rich) to “tourism”. This happens after the Second World War. First, it will be strongly influenced by occupation troops, especially in Europe and Japan. American soldiers, with a large financial force, compared

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100 modernized roads, not to be confounded with highways, in the contemporary meaning, which began to be built after the war

101 see also Annex 107 for the English meaning of the world traveler

102 for possible implications of ford-ism and post-ford-ism see Annex 5, synthesizing the opinion of – Walter Briggs - Winter University - ATLAS Pecs 2001 in columns 2 and 4 and our own add-ons in columns 1 and 3

103 Agro-tourism will develop in the same way, rural tourism, etc., a few decades later, but in other terms

to the defeated, shall maintain their home customs, so tourism will be strongly “influenced” by their “customs”<sup>104</sup>. To motivate the local populace, reconstruction plans included the holidays as well. But the term “mass tourism” or “tourism” may not be used, under any circumstance, by third world countries, or, so to speak, most of the planet’s population.

Rank	1950	% <sup>105</sup>	1970	%	1990	%	1999	%
1	USA	71%	Italy	43%	France	38%	France	38%
2	Canada		Canada		USA		Spain	
3	Italy		France		Spain		Italia	
4	France		Spain		Italia		Hungary	
5	Switzerland		SUA		Hungary		China	
6	Ireland	17%	Austria	22%	Austria	19%	GBR	15%
7	Austria		Germany		Great Britain		Canada	
8	Spain		Switzerland		Mexico		Mexico	
9	Germany		Yugoslavia		Germany		Russia	
10	GBR		GBR		Canada		Poland	
11	Norway	9%	Hungary	10%	Switzerland	11%	Austria	11%
12	Argentina		Czechoslovakia		China		Germany	
13	Mexico		Belgium		Greece		Czechoslovakia	
14	Holland		Bulgaria		Portugal		Hungary	
15	Denmark		Romania		Malaysia		Greece	
	Others	3%	Others	25%	Others	33%	Others	38%
Total	25,3 mil.	100%	165,8 mil.	100%	457,2 mil.	100%	664,4 mil	100%

In the 50s, 71 + 17%, meaning 88% of tourist destinations were winning countries of the war. (Except for Germany thanks to the allied occupation). Only in the 7<sup>th</sup> decade outsiders as Hungary, Czechoslovakia, Romania, Yugoslavia, as a result of, perhaps, their political attitude. Thus far, incomes were divided between the rich. But these were also countries where mass media was developed and this allowed a closeness with globalization. The last decade of the millennium changes the hierarchy, but we believe this is a temporary change, as illustrated in predictions until the year 2010. Annex 8 clearly shows that, statistically, tourism is an opportunity for: developed countries which redistribute their incomes and expenses, leaving small sums to smaller states. Actually, this state is normal, as the same countries are also the primary issuers. Thus, sending your own gain towards other destinations is bad business; this is why rich countries “reward” their own workers for their effort and maintain their profits. And this thanks to globalization. And for under-developed states or for Afghans, tourism remains a “windblown” opportunity, presented by international organisms. It is hard to assess whether Somalis or Afghans or other poor nations shall make tourism, rather just a few travels for the richest of them. And the material support and personnel have the same distribution.

The costs of a transcontinental airplane flight can not be covered by the classical ticketing system: let us enumerate: the costs of flying over several countries, the amortization of the infrastructure, of aircrafts, then “small” fuel costs, wages, etc. reservation systems, etc. And yet everybody knows a charter plane ticket is cheap. For example, a charter ticket from Budapest to Tunis and Budapest is 150 USD even on a big Boeing. With a full aircraft, of 450 passengers, we can hardly muster 67500 USD. Or a flight to the US and back costs 500 USD, meaning a 225000 USD income with a full jet. And Europe is transited (a few borders, a few aerial spaces!) and the

104 in English : behaviors, manners, conduct

105 % = weigh in world tourism

Atlantic, crossing over 8000 km! And yet, planes fly, tourists, businessmen, etc. have flooded the world. HOW? Using the same Ford principle, in a retrograde way: we pay from the giant state pocket, meaning we subsidize as long as necessary, from money belonging to the crowds. But, flying beyond the borders of England or the USA (main post-war producers) will imply the involvement of several states. Politically, (through treaties), we create for the same facilities for these states here, as they are present in developed countries. Economically, we globalize and optimize profits through a better stated distribution of costs and opportunities. This is the reason for which IATA appeared as a structure which would allow for the freedom of the skies as well as a redistribution of costs.

We must however return to the American example in order to shed some light on a hidden, but essential element of the role of tourism in the globalization process<sup>106</sup>. We show the fact that the development of the automotive industry in the USA was determined by the need to ensure critical mass for the patron's profits. The intimate cause is revealed in the American way of thinking, within their money-based philosophy, their lack of prejudice, their restless and entrepreneurial spirit, but also their sick desire to succeed.

As an example: the McDonald's<sup>107</sup> chain has as a philosophy of "everything fast, clean, safe and STANDARD – the same in all the chain's restaurants". But European personality and, perhaps, the conservatism of its long history, rejects standardization, prefers the traditional "bistro" or "wine cellar" or "pub". And yet, lack of American complexes lead to its expansion in Europe. The result? Total success! McDonald's conquered Europe. Behind such an example is a harsh reality.

We may conclude, for now, until facts will prove in the following chapters that the development of tourism was not a natural phenomenon, a result of increased standards of living, but rather a deliberate intervention, within developed societies, to extend economic growth. And this phenomenon is of a "global" nature, this being among its first globalizing actions.

### **3.3 Barriers in the path of international tourism**

We must tackle another aspect: barriers in the path of tourism. We have seen that it is not free time (which the poor have in abundance) or money (which are not enough for the coverage of the real cost of a plane ticket for example) are terms which make tourism possible. But the political ensemble. Which are the main barriers however? The first one is border permeability. The winners have generously opened the borders for their countries population. This was completely normal after the movement of great armies. The process was slow and sinuous. But today, within the Schengen countries there is free traffic. What a difference! But let us not forget the barriers of the cold war. Today, barriers are maintained, because tourism is an activity mainly for citizens of rich countries. The state is involved within border permeability. But state organisms act as a result of the lobby of interested groups; this is the case of tourism groups. And the policy of developed states, states with a high degree of involvement in tourism is concentrated; it acts as a whole, globally, but also selectively, taking dominant interests into account. Now the priorities are migration from poor countries and terrorism. Actually, the AGCS elaborated, under WTO (World Trade Organization) guidance, allocated most of the people's traveling and access to markets including the labor market. There is an issue of harmonizing diplomas (art. VII.4) but also to avoid a transformation of tourists into workers, especially because the tourism industry is one of a seasonal perspective, and often need accentuated personnel, which it obtains from either developed countries, or from black markets. The accord also established facilities and procedures for great hotel chains which send their personnel from one hemisphere to another according to seasons,

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106 We remind the fact that about globalization discussion appear in the 7<sup>th</sup> – 8<sup>th</sup> decade and we are, in tourism, confronted with such examples right after the Second World War

107 for details see also Sârghie Lucian - *Globalizarea rețelelor de alimentație publică* – Graduation Paper – Universitatea Lucian Balga Sibiu 2001

which involves obtaining the right to work and corresponding visa, even between developed countries, which have contingents established.

Next in importance, we have political relations, their character and stability. For a long time, the cold war maintained “the iron curtain” between countries of the two blocks, and tourism was a means of propaganda regarding the superiority of the system. CAER international circulation was based on common plans. The discount was made through clearing accords. Countries became specialized, as well as material basis to satisfy the needs of the entire block (globalization?). This will have a negative effect on the re-conversion of the infrastructure to world standards, after the fall of the system. Developed countries followed a different path. But it was marked by numerous political restrictions. US citizens are even today forbidden to visit Cuba, as well as other countries. This happens while the UN and WTO proclaim the free development of tourism.

We must also mention risk areas. There are numerous destinations to be avoided due to lack of area stability. The criterion which makes an area unsafe or risky is hard to state. Despite quasi-permanent war, Israel has major incomes due to tourism. And for this we find Jewish, Christian and Palestinian people working together. The effort of convincing the media and the public relations is huge. In exchange, Honduras, although perfectly safe, is avoided due to military regime.

We can observe that infrastructure is not a major barrier. It could be to some forms of tourism, but overall is a distant second. Economic interests are far more important, some distant and hard to comprehend. The most eloquent example is the fall of treatment facilities in Eastern Europe after 1990. A close analysis showed that the main cause in international tourism (not the internal one, where a drop in purchasing power and social systems is essential) is a change of attitude in Western European countries, by the taking over of the American healthcare system. The USA does not have many such facilities, but mostly, the population is not accustomed to such treatment. The American health insurance system demands that the sickly be sent back to work as quick as possible. The treatment is based on pills, on a chemical basis, the ill are sent home, where current family issues work as a dynamic factor. This system was taken by Western European countries as well, which led to major changes in balneal treatment. Balneal resorts specialized in various traumas, for example, decreased their stationing time to a quarter as compared to those in the east, which maintained old standards. As a consequence, the ill must buy a holiday from his own money, during his holiday schedule, if he does not use a resort agreed upon by the health insurance system.<sup>108</sup>

We will not mention boycotting or supporting a tourist resort, on this situation we shall develop more when we analyze Romania.

### **3.4 Tourism as a social contract**

Let us shatter another myth. Today, a common reference is that life in former communist countries was hard. This is true. But the competition of systems, especially during the Cold War, forced the communists to take measures to prove to their own population the superiority of their socialist system. And it is precisely tourism, through its SOCIAL CONTRACT (similar to that silently comprised in winning countries among the populace) could illustrate this as good as possible. The Romanian example may be found in any other former communist state.

PRCES/INOME	8 th DECADE	9 th DECADE
	Lei	lei <sup>1</sup>
MINIMUM INCOME/MONTH	1.515	2400000
AVERAGE INCOME/MONTH	1.800 -2.400	4800000
12 DAYS AT SEASIDE	800 -1.400	8300000-17000000

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<sup>108</sup> see study made by Servier, with the occasion of the 6th EMAS congress, Bucharest, may 2003



That is	40 - 60 % monthly wage	173-354 % monthly wage
18 DAYS IN A SPA	1.200 - 2.400	19800000
that is	70 - 100 % monthly wage	412 % monthly wage
one night in a large town	32,5	1.500.000
that is	46 night of average wage	3.7 nights
one night in Bucharest	37,5	2.400.000
that is	40 nights with a minimum wage	you have to find relatives...
one night in a 4-5*hotel in Bucharest	150 - 320 \$	no comments

<sup>1</sup> summer 2003, including the cheaper full board.

It is however true that the system provides for campus conditions, but this was also the level and horizon of expectance for the population.

A similar “pact” exists for the separation of technocrats, of rich from poor. Since Victorian England, this functioned on the principle of pricing (different and distinctive from the system of exclusive clubs): deliberately high prices in hotel and restaurant networks which will close off “vulgar” access. A sophisticated system of facilities brings this level towards normal, or another transfers it upon anonymous corporations (stock based). So, in Bucharest for example (as well as anywhere else in the world), a room at a 4-5\* hotel reaches 150-320 USD, but with mentioned facilities, may only cost half the price. A plane ticket for business or first class is 9 times more expensive than tourist class, obviously disproportionate compared to the services. But by applying the VIC system (Very important commercial person), to the mileage system, etc. the price decreases substantially. This “pact” governs an important area in tourism, the so called business tourism or congress tourism, etc. with a considerable average in income per tourist and total income.

### 3.5 The evolution of organization techniques of “tourist destinations” – a consequence of global tourism<sup>109</sup>

Tourism and mass tourism is not for the poor. For the “wealthy”, which holidays included in the “social contract”, after 10-15 years of sea-side holidays, for example the price difference with similar destinations is insignificant. This tourist desires a different choosing criteria. The same goes for other tourist destinations. Furthermore, we must take into account the level of labor sensitively larger for an average increased comfort, in wealthier countries: larger distances made daily by car, the learning of usage of home appliances, of own spare time. Even the holiday, becomes more stressful trough new technologies: more complicated procedures – but more comfortable – regarding the choosing of a voyage, a “coded” travel, the volume of information (and rules) which increased, etc.

A first response comes from clients, which, after a year’s work, are convinced that **“I deserve a good vacation, I owe it to me!”** The Consequence is that the tourist which once reached his destination wonders **“why am I here?”** The time of classical vacations, when we were stuffed in a bus to see new destinations or to “get stuck” in a resort has passed. Tourists, especially those from the “wealthy” mass – have already seen it all. They work hard (and during the holiday, as clients – engines of the weekend economy which creates free days – “Sundays” – for the personnel, on Tuesdays and Wednesdays!) and have become more pretentious, because the offer became more sophisticated. The situation is even rougher in business tourism where clients have really been everywhere, they are allergic to museums or other classical ingredients. Furthermore, they are not willing to change their circadian rhythm to the intense one, their current one: they will not stand for 2 – 4 hours in a coach to reach the seaside from Bucharest or Prahova Valley,

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109 see also Rafailova G. – *Sustainable development of a tourist destination through contribution to the integration into international organizations and to global values* – Conference ATLAS - Visions of sustainability–Estoril 2003

because this equals – and they know it – a difference in time schedule of a few hours. Whereas they are on holiday, not daily business voyages.

As a conclusion, the whole vacation organizing theory has fallen. And not due to changes in technology. On the contrary, this became more precise and rough, especially under the pressure of information technology systems. **The theory and practice of tourist destinations appeared: how to build a destination?** And this is no simple task, because the modern tourist desires more experiences, excitement, not as an object of a tourist tour, a source of income. He wants to participate, to live otherwise than he is condemned by daily routine. Globalization turned not only the world into an enclosed space, but life itself, and reduces living to patterns. The success in tourism depends on the counteroffer, the chance of at least a temporary escape. Gunn defines<sup>110</sup> “the tourist destination from the spatial point of view as a geographical area which contains a critical mass of development which satisfies tourism objectives. The main elements from the perspective of the tourist destination are natural resources, accessible transport, attractive services, promotion and information.” But *to have a real tourist destination, a stable one with chances to last one must add the most important element: people who live there, those who are able to provide quality services and those who can shape their life so that the “experiences” are possible at higher and higher quotas.*<sup>111</sup> They transform daily loneliness into participation, as they wish it when they themselves are on holiday; the need to socialize is painful for those sentenced to daily routine by performance oriented economic systems.

**A tourist destination means several elements, basically the whole natural ensemble, both built and human.** “Artificial destinations” like holiday clubs, cruises begin to be less attractive. Clients who can afford to make tourism turn towards the authentic. The effort must be of the whole community: not just personnel from the tourist sector contribute to success, but the whole bunch. This is why they must find an identity, to create a flow of synergy towards the satisfaction of tourist requirements, to integrate the tourist in the life of the “destination” to make him forget the routine, to recharge his batteries. Even if the destination is just 65 miles<sup>112</sup> from the tourist’s home! The more difficult the road towards building the ultimate tourist destination for the **business area**, where the **destination** is added to a multitude of **incentives** and an infrastructure with special utilities.

Unfortunately, from research conducted so far, this chapter of contemporary tourism is lacking in Romania. Even the recent attempt – the Dracula project – has come across difficulties, due to a populace reticence and of several tourism circles due to an incompatibility between a fun park and a Romanian ego which does not identify with it. Dracula Park is supposed to be an amusement park (to satisfy local egos) but the Hollywood myth is included in the horror section. On the other hand, decisional factors in Romanian tourism, either professional or political, with rare exceptions have not even heard of new tendencies. Since 1992, the building of small hotels, of a good comfort, but “illustriously unknown” in transnational tourism are actually just blocked funds. In Bucharest, for example, 4 or 5 major hotels are needed (the biggest hotel operating now is the Grand Hotel Marriott, since 2003, with 402 rooms, considered at best a medium hotel in international standards), and other cheaper, but of bigger capacity, hotels.

Obviously, the “destination” must be the starting point for building Romanian tourism. So far, **from a global perspective, Romanian tourist destinations do not exist.** This is precisely why we must insist on this concept. The destination is built for tourists and locals alike. It is different from others, but has the level of comfort and organization similar to other destinations, so that the local and the tourist feels at home, through utilities which both find natural.

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110 Gunn, C. A. (1994). *Tourism Planning: Basics, Concepts and Cases*, 3rd ed, Taylor and Francis, New York.

111 See also Francisco M.D. Serra -MODISTUR-A System Dynamics Model of the Tourism System Contributions of the System Dynamics Methodology to a Holistic Approach to Tourism – an Application to the Algarve – ATLAS conference Estoril 2003

112 medium travel distance

Academic theory claimed, and practice applied the concept of “community leisure and recreation”<sup>113</sup>. Usually, this starts by changing community customs regarding public services, the defining of *leisure and recreation* services characteristics, which are being accepted by the community, the costs for implementing a new vision, the one analyzes the arts and sports of the community, from a democratic perspective, of politics and means which may sustain such an organization. Then, the term tourism is inserted as a community advantage especially as a control system and as a means of assimilation and living together. All this integrated in a development plan, but more to sustain systems of infrastructure, economic, political, social life, *leisure and recreation* to implement some kind of life, different from other places, but at the same (or close) standard. Unfortunately, here, practice reveals that such preoccupations are virtually inexistent. Painting the buildings and shops is not enough. Transformation is made within the people, in their whole life. A few years ago, in Stockholm, Amsterdam, Copenhagen or Petersburg, guides would have started with “you are now in the Venice of the North...”. Today, it is precisely the inhabitants of such major cities which fill the halls, streets and sport spaces, coffee shops, etc. and foreign tourists, a minority and “visible”, but welcome, mingle, go along without thinking of the “Venice of the North” enjoying the fact that they are there. Whereas, in Bucharest, where is the center? Downtown?

The wild, raw nature is no longer a certain destination; at the most a curiosity, for adventure. Any disaster may compromise a season or such a destination forever. “Built” nature, whether in a city, on a beach, in the mountains, etc. may ensure stability, their inhabitants will bring it back to life in spite of any disasters which may occur. Florida, with its numerous hurricanes, is organized in an “American fashion”: warehouses built in advance, machines built for such situations, a disaster tracking system, with several meters tolerance, an insurance system constructed accordingly, specially trained population, etc. The coast is basically open the whole year, no disruption in tourist activity. Floods by the Elba River in Dresden were rapidly overcome, and on a long term. Furthermore, in Portoroz, Slovenia, the beach is several hundred square meters long. But who cares? Surrounding a 5\* hotel, casino, halls, discos, etc, closed pools, Olympic pools, spaces for belvedere over the golf and the sea, outside bars, etc (all included in the price of the room), plus spa, fitness centers, massage, regeneration treatments, all this gravitates around 4-5 hotels with 2-3\* which have free access to the utilities of the big hotel. All in the general ambience of the Adriatic and the proximity of medieval cities. So, “God, the manager”<sup>114</sup>, which may destroy everything through bad weather during a month of the season on the Romanian seashore, is tamed here through the sacrifice of well thought labor. Or, the American example: Las Vegas.

### 3.6 “Trader” Tourism – a characteristic form of periods of major political changes

The collapse of the communist system brought a phenomenon as interesting as it was forthright: **Trader Tourism** or “smuggler” tourism – “a global form in Eastern territories”. We all know, those who live in these lands, that, right after 1989 a real industry flourished. The so called “traders” appeared which would travel across former socialist states buying and selling all kinds of products. The phenomenon was closely watched<sup>115</sup> and must be remembered because, as we defined globalization, this is a different phenomenon, but which accounts for its terms. Egbert observed the traffic between Turkey and Bulgaria for 4 years. His conclusions are interesting. The smuggling in this area is, according to him, due to a lack of parts for products sold in the communist space. The trader’s activity was not only realizable on grounds of corruption of state

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113 see also in Annex 107 the meaning of terms, as well as Haywood L., *Community Leisure and Recreation – Theory and practice*, 1995 Butterworth Heinemann, or Heath E., Wall G., *Marketing Tourism Destinations – a strategic planning approach*, 1992, John Willey & Sons

114 expression introduced by prof. Dan Popescu in his intervention regarding a Ph.D. thesis at the “Lucian Blaga” University in Sibiu, 2003

115 Egbert, Henrich: *Trader Tourism in the transformation process - Observations on Bulgaria between 1992 and 1996*, in Stierle, Michael. Ed. *Economics of Transformation*, Berlin : Verlag fur Wissenschaft and Forschung

employed personnel, but also with the silent accord of the states themselves, which could not yet satisfy the still existing needs of clients whose markets disappeared, nor did they have the capacity to ensure a standard level of living, which smuggling could improve. The volume is impressive. This led to the remark that this type of tourism allowed for the learning of market based economies laws' but also led to the primitive accumulation of capitals for certain categories of people. From their ranks some of today's businessmen will arise: with what handicap compared to those who grew up in a real market economy?

The most important fact proven is that the same tourist phenomenon existed in post-war Germany, when some of the groups of interest were formed, groups which we today find controlling different capitals placed either in Germany or various countries following a well-known path.

### 3.7 International tourism: actual and predictable tendencies

Until after the Second World War, when tourist structures extended and became truly global, talking only about traveling, although the issue was, ever since then, an issue due to colonial empires which were the building blocks of globalization. After the war, we find what will become mass tourism.

If we are to browse through press issues between the wars we will notice that leaders which came into power during the war or at that time based their speeches both on revenge but mostly on promises of a better life. In full crisis, they managed to determine economic ignition. Whether we talk about Hitler, Mussolini or Churchill (although the same names can not be placed on the same row) all have promised and achieved a better standard of living than before the crisis. After the war, firstly for winning states, the great migration had begun – modernly known as tourism. At the beginning, more modestly, just 24 million in 1950 to 100 million in the 6<sup>th</sup> decade. The Marshall plan stated, and had a hidden social component. For the common German, for example, this stated: first a bike, then a house, then a car, then holidays abroad. After the 6<sup>th</sup> decade defeated countries join the world of tourism<sup>116</sup>.

Traveling became tourism. And now, the rich continue to travel; but the crowds move as well, meaning there is tourism involved.

“Mass tourism stabilized at the beginning of the 60s until the end of the 70s. Then, various independent phenomena – like world economic growth and other social and economic changes, government politics, tech revolutions, production process progresses, better management techniques – have transformed part of the sector reaching the state of *new tourism*. This concept covers green tourism as well, *soft*, alternative and durable, actually the diversification of tourism and its development on different commercial channels. Competition in this field is based more and more on diversification, market segmentation and diagonal integration”<sup>117</sup>.

#### 3.7.1 Present and future in tourism

In Annex 4 we reveal the evolution of the tourist phenomenon. We leave to the reader the pleasure of seeing the evolution and the predictions. We will only say that, today, tourism, especially the *hospitality* branch, without including other tourist “actors” numbers 400.000 hotels, meaning 12.000.000 rooms, 8.000.000 restaurants, generates 4544 billion USD in economic activity (total demand), and has 67.400.000 employees, meaning 2.6% of total employees, creates 1280 billion USD of world GDP, meaning 3.7%, and as a multiplying effect is stated at 3527 billion USD (10.2% of global GDP), it positively affects 194.6 million jobs (7.6% of total jobs), it

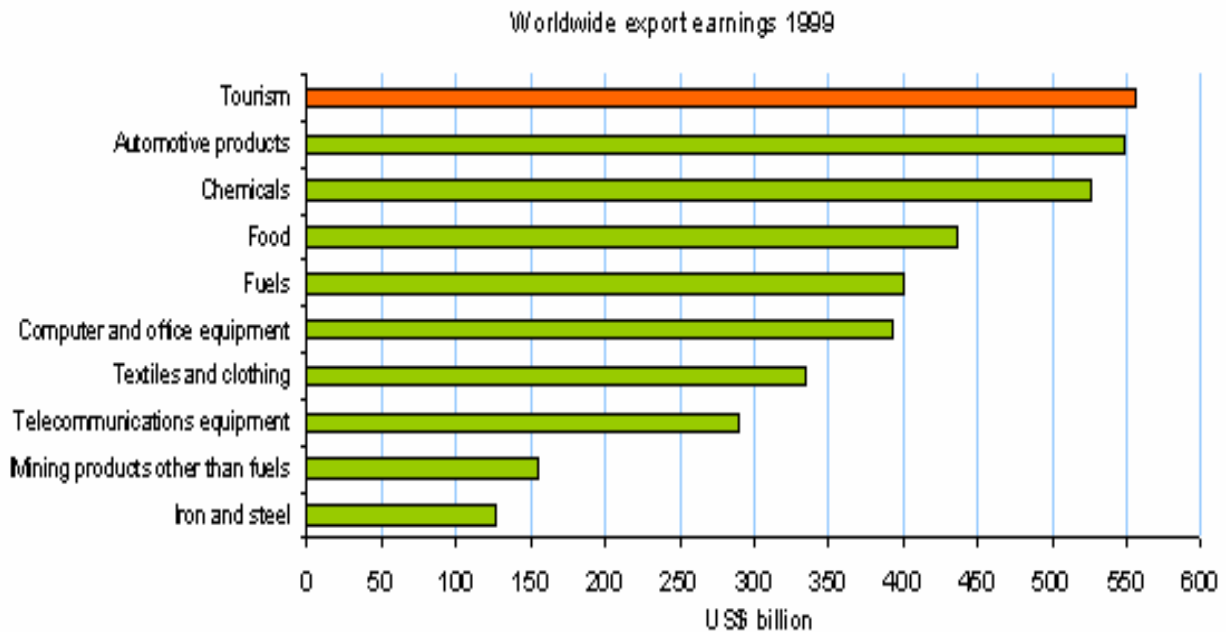
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116 for communist countries things were similar, after the principles of communist dictators and the border space of communism

117 WLO – *La mise en valeur des ressources humaines, l'emploi et la mondialisation dans le secteur de l'hôtellerie, de la restauration et du tourisme* – Geneva 2001

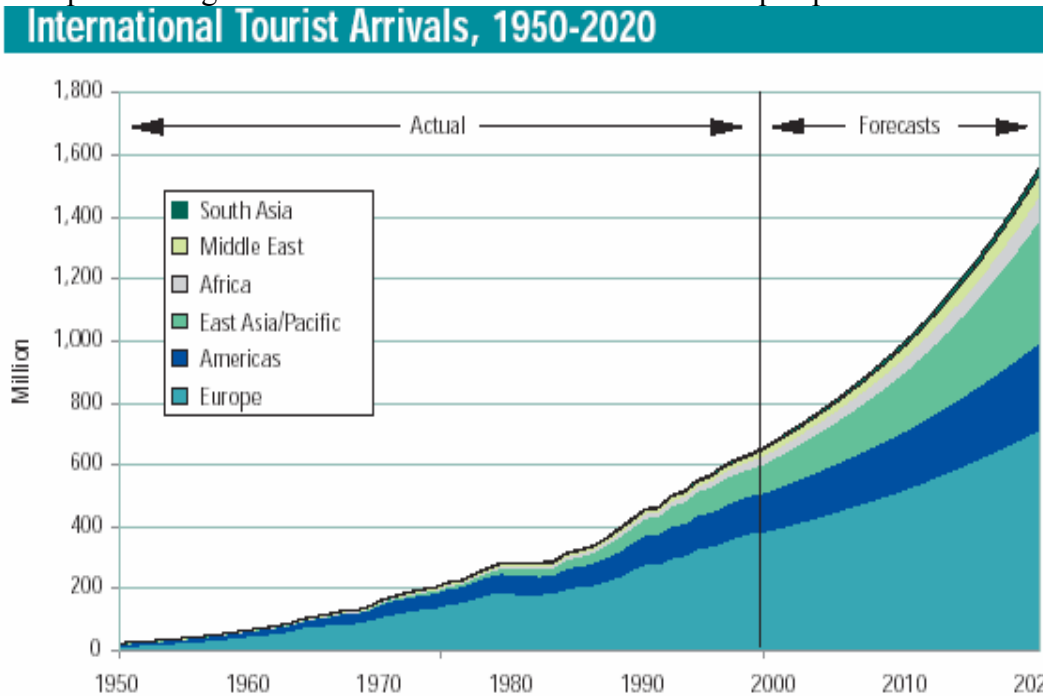
represents 1010 billion USD of total exports, 686 billion of capital investments (9.6%), 224 billion USD of world government spending (3.9%)<sup>118</sup>.

The WTO and the IMF reveal an image of the place of tourism in world economy evaluating 555 billion USD in 1999 (tourist “exports”), meaning 8% of world exports.



Source: World Tourism Organization, International Monetary Fund

A competent image of international tourist arrivals and their perspectives:



Source: World Tourism Organization (WTO)

This is the present and future of tourism (in numbers):

118 [www.wto.org/statsitics](http://www.wto.org/statsitics) [www.wttc.org/statsitics](http://www.wttc.org/statsitics) and Rapport la al 3-lea summit global WTTC – *The 2003 World Travel and Tourism Economic Research* – Villamoura, Algarve, Portugal 15-17 may 2003

	2003			2013		
	Billion USD	% in total	growth <sup>1</sup>	Billion USD	% in total	growth <sup>2</sup>
World total						
T&T personal interest	2135,9	9,9	2,2	3862,3	10,8	3,7
Business Travels	488,8	...	0,6	871,7	...	3,7
Government expenses	224,1	3,9	2,8	378,2	4,1	3,0
Capital investments	686,0	9,6	2,8	1308,6	10,1	4,3
Visitor exports	530,9	5,9	3,0	1332,1	6,0	7,1
Other exports	479,0	5,3	8,9	1187,0	5,4	7,2
T&T consumption	3252	...	2,1	6223	...	4,3
T&T demand	4544,2	...	2,9	8939,7	...	4,6
T&T industry GDP	1280,4	3,7	1,1	2279,2	3,8	3,6
T&T economy GDP	3526,9	10,2	2,0	6461,4	10,8	3,9
T&T industry labor force	67441,1	2,6	0,1	83893,6	2,8	2,2
T&T economy labor force	194562,0	7,6	1,5	247205,0	8,4	2,4

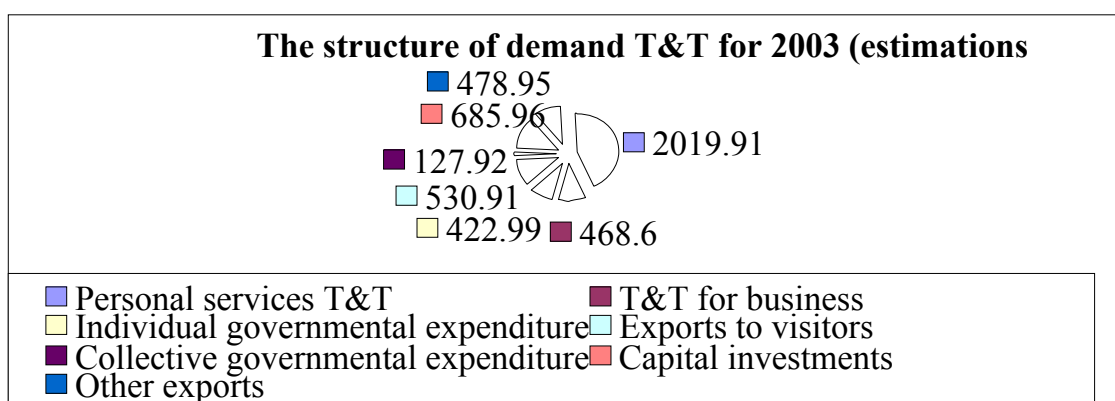
<sup>1</sup> 2003: real growth adjusted with inflation -%; <sup>2</sup> 2004-2013: trend of real growth adjusted by inflation -%; '000 jobs. Source: WTTC, the 2003 Travel and Tourism Economic Research, www.wttc.com

In annex 14 we present, aside from the contents of the indicators, a detailed presentation of them. We mention that results vary due to a change in used methodology, on the contents of the indicators. Regardless of methodology however, although some authors consider that tourism overcame the incomes of the armament industry, others the fuel sector, etc. they all agree that it is at the top of the hierarchy of world economics.

For correctitude, we must mention that from the total GDP, mostly comes from developed countries, as well as the tourist activity.

There are multiple criteria regarding the analysis of the tourist activity, from where derives the multitude of possibilities for presentation and analysis. It is normal for a resulting activity, which basically involves all braches of the economy and has an untouchable product, hard to include in actual statistical systems. We will enumerate, without insisting, considering the notions are known, the main numbers regarding international tourism as they have been concentrated by the TSA<sup>119</sup> (T&T = Travel and Tourism); 2003, 2013 estimates.

An eloquent image is that of the "T&T demand", which expresses both the components of the indicators, their average but also their brute value in billion USD. We will point out only the main elements which are compulsory to take into account for each strategic decision regarding tourism. See also annex 103 for details regarding its place in the TSA concept.



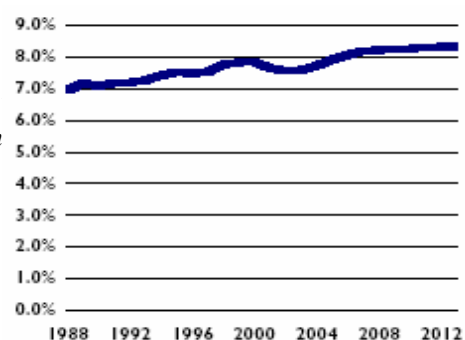
Source: World Travel Organization (WTO); numbers according to June 2002

119 see also pag WTTC and Oxf and Tourism Ec

#### T&T Labor Force Usage

- New jobs in thousands
- T&T personnel as % in total
- Cummulated real growth

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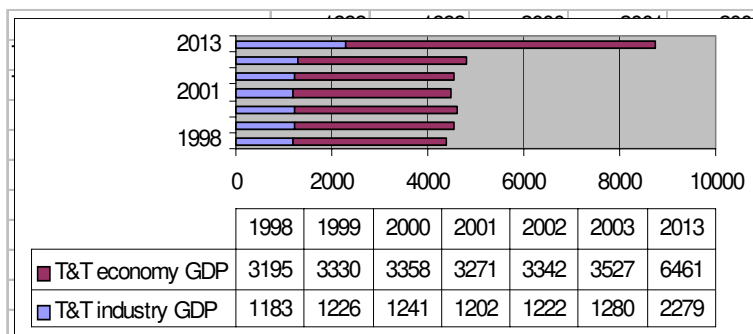
Source: World Travel Organization (WTO); numbers according to June 2002

We now continue with the labor force in the tourist activity, as we already revealed tourism's mission as a "painkiller" for structural unemployment, both by offering work opportunities directly in the sector (the tourist industry illustrated below) but also in connected areas (tourist "economy").

Activity is seasonal, unequal, usually lower paid, but is a solution in developed economies, which give up on traditional working places, as well as in under-developed economies where they can be a gauge, taking "subterranean" tourism.

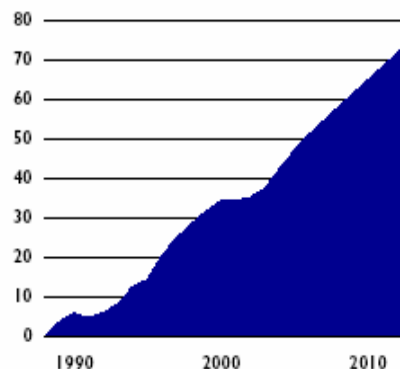
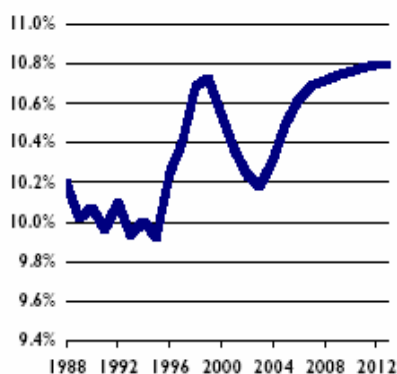
Tourism contribution in GDP is more and more important and in continuous growth, both as an "industry", as well as a "tourist economy".

GDP according to T&T: billion USD in constant prices, T&T GDP as a % of total GDP, and real growth



### GDP according to T&T

- Billion USD in constant prices 1990
- T&T GDP as % in total GDP

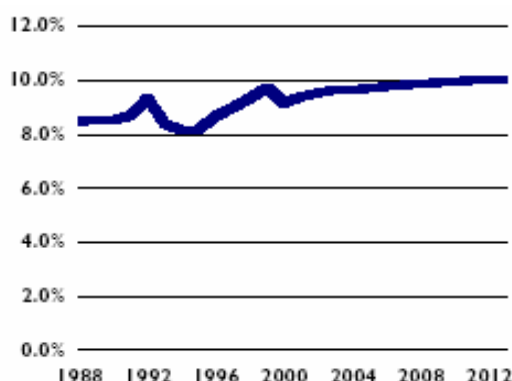
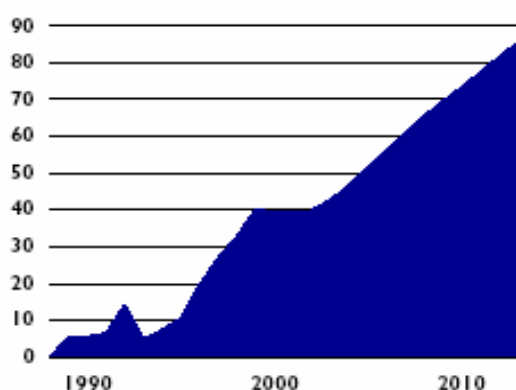
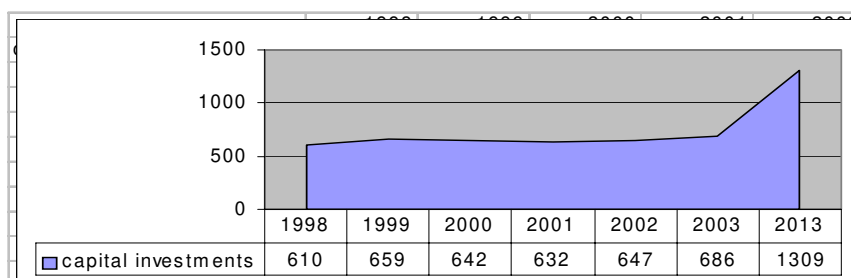


Source: World Travel Organisation (WTO) ; june 2002

These results would not be possible if not for a consistent investment effort. Although the tourism industry needs a lot of sunk type capital (compulsory costs which once made, can not be recuperated anymore, nor can they be shrunk) taken upon by the state, the “hit and run” investments are important and usually reserved to private investors, be they big or small. The lack of sunken expenses is disastrous for the tourism of the respective country or destination: tour operators, those who set clients in motion are not only interested for such investments, but will pure and simply erase the respective destination from their maps. For example, the general challenge must be made by the receiver: only when the destination has a positive image, will it be included in promotion programs. CNN makes continuous promotion and advertising for several destinations, to create a favorable perspective. Tour-operators on the other hand, only take them into account once the effect has passed. The same goes for infrastructure, etc. Private capital or better said, private operators – be they intermediaries or contractors – come in the “hit and run” area, usually only after sunk investments have already been made.

### Capital investments in tourism (T&T)

\* Billion USD constant prices 1990  
 \* Real cumulated growth% \* % in total capital investments



Source: World Travel Organisation (WTO) ; june 2002

These indicators are completed with those presented in Annex 14. In this organization of indicators of tourist activity, we observe immediately that the “classical” activity, meaning personal travels quantified as “private expenses for T&T” – whose structure we shall analyze



immediately, according to the motivational criteria – has the “lion’s share”, meaning 65.7% of tourist consumption in 2003 meaning 47% of tourist demand. For 2013 tourist consumption is estimated at 62%, meaning 43% in tourism demand giving way for “business tourism” or “export towards visitors”.

Although in the last 5 years, the increase is rather low, but not the less positive, in spite of the intensely mediated attack of September 11<sup>th</sup>, 2001, of the intensifying terrorist activity on a two-war background (Afghanistan and Iraq), instability in the Balkans, Chechnya, Central America, etc. – a major leap is predicted in the following years.

We present, in Annex 16, a country analysis on the same system of indicators. We do this to illustrate the fact that a relatively low number of countries have a majority of business regarding tourism. From a total of 2136 billion USD in 2003 appreciatively 3862 billion USD in 2013 we have 10 countries (Tables 1 and 2) which have the lion’s share (79.4% ergo 76.3%). Small changes in the hierarchy between 2003 and 2013, according to these estimates. In business tourism, Mexico and Holland will exit, to make way for China and Brazil; this type of tourism also indicates the future hot zones around the globe, in the business world, according to the “movement” of businessmen. Government expenses (tables 5 and 6) reveal the effort made by the same countries to develop tourism. We notice a direct connection between “incomes” and government expenses, especially if we are to consider their volume. Without a significant “strike power”, results can not be consistent. China’s progress is notable. The situation is similar regarding capital investments (tables 7,8 and 9). We’ll give as an example, their amount in the total realized by small countries (as a value of incomes in international tourism). Although their effort is significant and has a positive effect in the movement of tourist demand, leading towards a mono-cultural status for some of them, where the average percent of GDP allocated to the tourist sector makes them dependant on the international flow of tourism, especially regarding the occupation of labor force (tables 15-24). Some states, states-islands, have become specialized in tourist paradises (as well as for subterranean tourism, as we shall see), yet the value of the volume realized by them is insignificant when compared to the majority of business and the tourist flow which remains in the area of developed or powerful countries (The Russian Federation, China). Actually, by correlating the major indicators regarding GDP contribution and labor force occupation we can already establish the areas of tourist typhoons: North America, Western Europe, Japan – China, Australia, and Brazil. These actually are areas where the global GDP is bigger, so tourism is a rather reduced percentage of the total. Although in relative terms, states such as Turkey, Croatia, the former Soviet Union (it is interesting to notice the used name at WTO and WTTC level is either Russia or Former Soviet Union), Libya, China, Angola, Bulgaria, Malaysia (table 12) are expected to have a rapid increase in tourist activity (except China and the Russian Federation), but the volume is far too small to significantly influence the total volume. *One more thing: Romania is completely missing.*

## THE FIRST EARNERS IN WORLD TOURISM

Rank	Country	Income from international tourism – billion GDP			% Variations 2001/2000	Market quota % 2001/2000
		2000	% of GDP	2001		
1	USA	82,0	0,9	72,3	-11,9	15,6
2	Spain	31,5	4,5	32,9	4,5	7,1
3	France	30,7	1,7	29,6	-3,7	6,4
4	Italy	27,5	2,3	25,9	-5,7	5,6
5	China	16,2	1,6	17,8	9,7	3,8
6	Germany	17,9	0,7	17,2	-3,7	3,7
7	GBR	19,5	1,5	15,9	-18,8	3,4
8	Austria	10,0	3,8	12,0	19,7	2,6
9	Canada	10,7	1,5	-		
10	Greece	9,2	6,7	-		

11	Turkey	7,6	3,7	8,9	17,0	1,9
12	Mexico	8,3	2,2	8,4	1,3	1,8
13	Hong Kong (China)	7,9	4,9	8,2	4,5	1,8
14	Australia	8,0	1,8	7,6	-4,5	1,6

Source: World Travel Organisation (WTO) ; june 2002

We are seeing the same names. We also notice the influence of September 11<sup>th</sup> 2001 on incomes in the USA and Great Britain, which have gone downwards, this being the situation until 2003. Although the USA has the largest market share, the contribution of the tourism sector to the GDP total is rather low, as a result of the international terrorism which glides over the USA: there is a decrease, but the effect in the GDP is basically insignificant. The situation is rather different though when talking about the internal tourism of the USA, where the decrease in aerial travel has noticeable effects. By comparison, Great Britain suffered even more.

On the other hand, for countries such as Greece, Spain, Hong Kong, Austria, the tourism contribution to the GDP is essential. Furthermore, if we were to sum up numbers at a European level we will notice that together, they have a quota which is twice larger than that of the US, and almost a third worldwide. Over 7% is in countries which are strong (Germany, Great Britain), without spectacular natural patrimonies, but with a developed man-made one and a powerful business industry system. But almost 20% of the market is held by countries with seashore.

### TOP 15 “SPENDERS” IN GLOBAL TOURISM

Rank	Country	Payment for international tourism – billion USD				Variation % 2001/2001	Market quota % 2001
		2000			2001		
		Total	USD per inhabitant	% of GDP			
1	USA	64,5	226,3	0,7	58,9	-8,7	12,7
2	Germany	47,8	580,8	1,8	45,9	-3,9	9,9
3	GBR	36,3	618,3	2,8	36,9	1,8	8,0
4	Japan	31,9	251,2	0,6	-		
5	France	17,1	288,4	1,0	17,5	-1,4	3,8
6	Italy	15,7	273,0	1,3	14,2	-9,3	3,1
7	China	13,1	10,3	1,2	-		
8	Holland	12,2	767,3	2,5	-		
9	Canada	12,1	392,8	1,7	-		
10	Belgium/Luxembourg	10,2	962,3	3,2	-		
11	Austria	9,3	1148,1	3,5	9,7	4,0	2,1
12	Korean Republic	6,2	132,5	1,0	6,9	11,5	1,5
13	Sweden	8,0	902,9	2,9	6,8	-15,1	1,5
14	Switzerland	6,2	861,1	1,8	6,6	5,2	1,4
15	Taiwan	6,4	-	-	-		

Source: World Travel Organization (WTO); June 2002

This situation is far more complex. Expenses are actually imports, “substance” exits against “experiences”, apparently without counterparty. But, tourism is a part of the standard of living, but also of a standard of health, so it is found in the GDP through the superior value of the labor force which is remade and enriched by holidays abroad (see the myth of Japanese “collector” tourists, which “collect” products from all over the world to replicate them at home). Actually, we find

almost the same countries here as well. Before seeing the balance of income and expense, let's make a few remarks:

- Market quotas are basically maintained as income ;
- The effort made by each country is different, meaning the percentage of “expenses” for tourism from the GDP is insignificant for the USA or Japan, which proves again that tourism “myths”, can be false: we all believe that the Americans and Japanese are the great travelers. As a matter of fact, expenses for tourist traveling abroad are smaller compared to the force of these countries. Actually, the expense per inhabitant is small both in terms of brute value as well as when talking about medium income. In exchange, European countries make a larger effort both overall and per inhabitant.
- “Typhoon” countries for leaving abroad are, according to expenses per inhabitant, Austria, the northern countries, Holland, Switzerland, Belgium / Luxemburg. Germany is behind Great Britain, contrary to basic Romanian public opinion.
- China enters the top due to its massive size, because, due to expenses per inhabitant, so far we can not talk about tourism, rather traveling, and the number of those spending holidays abroad being insignificant to the total of the population. Still, the outgoing is strong in brute numbers, as is the case in the Russian Federation. Both have a tendency towards strong growth and are compulsory taken into account by receiving countries.

### The comparative situation of income / expense from tourism, in several countries

Country	Income			Expenses				Balance				
	1984	1990	1994	2000	1984	1990	1994	2000	1984	1990	1994	2000
USA	11,4	43,4	60,4	82,0	15,8	37,4	43,6	64,5	-4,4	6,0	16,8	17,5
France	7,6	20,2	24,8	30,7	4,3	12,4	13,9	17,1	3,3	7,8	10,9	13,6
Spain	7,8	18,4	21,4	31,5	0,8	4,2	4,1	5,5	7,0	14,2	17,3	26,0
Italy	8,6	19,7	23,9	27,5	2,1	13,8	12,2	15,7	6,5	5,9	11,7	11,8
Austria	5,0	13,4	13,2	10,0	2,6	7,7	9,3	9,3	2,4	5,7	3,9	0,7
Switzerland	3,2	6,8	7,6	7,3	2,3	5,8	6,3	6,2	0,9	1,0	1,3	1,1
Greece	1,3	2,6	3,9	9,2	0,3	1,1	1,1	4,6	1,0	1,5	2,8	4,6
Canada	2,8	5,6	6,3	10,7	3,9	10,4	11,7	12,1	-1,1	-4,8	-5,4	-1,4
Germany	5,5	10,7	10,6	17,9	13,9	29,5	41,8	47,8	-8,4	-18,8	-31,2	-29,9
Japan	-	3,6	3,5	3,4	-	24,4	30,7	31,9	-	-20,8	-25,2	-28,5
GBR	7,1	14,9	14,0	19,5	6,4	19,1	18,3	36,3	0,7	-4,2	-4,3	-16,8
Holland	-	5,6	5,6	7,0	-	7,3	11,0	12,2	-	-3,7	-5,4	-5,2
Belgium	-	5,2	5,2	7,0	-	5,5	7,7	10,1	-	-1,8	-2,5	-3,1
Sweden	-	2,8	2,8	4,1	-	6,0	4,9	7,6	-	-3,1	-2,1	-3,5
Australia	-	6,0	6,0	8,0	-	4,2	4,3	6,0	-	-0,5	1,7	2,0

Source: taken from Rodica Minciu, *Economia Turismului* Ed. Uranus 2000, and completed after World Travel Organization (WTO), numbers as of June 2002. In bold-italic values unfound in the first two tables.

Only now can we see the effort in tourism made by some of the main states. The US, apparently the main supplier of tourists, has in fact a positive balance. The value of foreign expenses made in the US is 125 times bigger than the value of the expenses made by American tourist abroad. The balance is thus in the favor of the US. Somewhat expected, thanks to the marketing of masters.

On the other hand, we have countries which realize income from tourism. France and Italy with a positive balance of considerable amount. Switzerland barely makes a positive balance, while Austria is on a descending trend. Other countries made tourism a source of income: Spain, Greece and Italy.

On the other hand we have countries which spend GDP for tourism: Germany, Japan, Great Britain (in spite of consistent income, except Japan), compensating with positive results from other areas of activity, however, the effort not being to burdening, the percentage of tourism expenses in the GDP is small, a bit over 1%. Other countries pay the social contract dearly, meaning the high standard of living: Holland, Belgium, Sweden. These are actual examples regarding the concentration of the decision taking in this domain in state-owned structures. In Holland, for example, most of the external promotion is in the hands of the ANWB (Royal Dutch Touring Club), a private structure, but under royal supervision... There are countries which have income, they made efforts to create tourist destinations, but have yet to even out their expenses! This is why international tourism, whether incoming or outgoing, is closely followed by decision factors. A special case is Japan, where outgoing were and are a means of economic espionage, already known in classic law books, so that the “loss” from tourism is actually an external bill for know-how.

The analysis can be extended on countries where we will discover similar situations. The effort is not justified, given the small value of the “business”, although for the case itself it may very well be crucial, as is the case of islands transformed into tourist paradises. Precisely by *seeing the size of the major players we realize that they are those who decide the faith of the small players*, many times to optimize the costs of their departures, trough either cheap services or trough high tourist exports – services and goods put at the disposal by the country of departure for the tourists, ergo mostly compensated.

In Annex 17, we reveal, according to Rodica Minciu, a few statistical series which illustrate the high rhythm of growth of tourism as compared to international trading, with service exports, etc. The percentage of tourism in total exports, growth rhythm both in total and for several countries to further highlight those stated so far.

So far, we used as a source mostly the statistics of the WTO, as they have been organized by the TSA. Still, these techniques have the inconvenience, especially for predictions, that they do not manage to surprise untouchable factors or hidden ones. As we will reveal shortly, it is highly probable that these numbers, although high, enclosing heterogeneous and hardly sum able activities, to be just the tip of the iceberg, meaning the legal part. Underground tourism is not even mentioned. Furthermore, it is possible that these levels need to be altered with important values concerning clients which travel for another purpose, but are accounted for here because a tourist visa is employed by them: this means illegal immigration, clandestine workers, trader tourism, etc., which, at the same time, are located in the “underground” area. Even more so, number can’t explain situations of paradox, like Israel from 1990 until 2000 – how did they manage to increase their tourism income from 1396 billion USD to 3100 USD, mostly by increased number of tourists from 1063 thousands to 2400 thousands in spite of a permanent state of turmoil, without mentioning the important number of clandestine workers, of which Romania supplied a few tens of thousands. To overcome these lacks and to have a clearer image the OMT organized a sort of panel of official experts from 69 countries (Romania is absent once again), which in June 2003 have edited the first World Tourism Barometer, which takes into account not only possible evolutions of oil prices, of the USD / EURO ratio, but also of the economical environment in general, taking panel member experience into account.

We present the conclusions of the Delphi study organized by the AIT (Aliance Touristique Internationale) with an initial group of 5000 specialists, which afterwards was reduced to 200, according to the method.

### **First destinations for the following 15 years (starting from 1998)**

	Big income %	Slight income %	Stays the same %	Slight decline %	Large decline %	Rank
China	61	23	1	4	2	1,49
USA	29	42	16	3	1	1,96
Russia	27	42	12	7	3	2,09
Mexico	20	44	17	10	0	2,19
Canada	19	42	27	4	1	2,2
Hungary	18	45	18	10	1	2,25
Poland	14	43	23	8	2	2,34
Czech Rep.	14	41	26	8	2	2,37
France	12	36	34	8	3	2,51
Spain	13	31	34	10	3	2,55
Italy	7	33	42	10	2	2,65
GBR	9	30	38	14	2	2,68
Germany	8	27	36	17	4	2,8
Austria	5	20	47	17	2	2,9
Switzerland	5	18	49	16	3	2,93
Hong Kong	12	19	27	27	7	2,98

#### Biggest spenders for the next 15 years

	Big income %	Slight income %	Stays the same %	Slight decline %	Large decline %	Rank
Russia	35	38	11	4	1	1.85
USA	31	42	12	5	0	1.9
Korea	25	43	14	3	2	2.01
Japan	31	36	13	6	3	2.03
Poland	24	37	23	4	0	2.08
Taiwan	25	38	20	3	3	2.11
Germany	25	38	16	8	2	2.15
Canada	14	43	29	3	1	2.27
GBR	11	40	27	11		2.43
France	10	36	35	7	1	2.47
Italy	12	33	36	8	1	2.48
Holland	8	35	38	6	1	2.51
Sweden	7	31	45	3	1	2.54
Switzerland	8	31	42	7	1	2.57
Belgium	8	31	46	5	1	2.6
Austria	7	26	46	8	1	2.66

Source: ATI Delphi Study 1998

Mostly results are close to those presented so far, but we also find large mutations: the passage of Russia and China on top positions, the strengthening of Poland, Hungary, Czech Republic and Taiwan. This method took into account several variables, including incommensurable factors. A result in the first 5 years of the 15 for which the prognosis was made (1999 - 2013) confirms the justice of the results.

In order to have a clearer image on the evolution of tourism we bring into discussion WTO estimates for 2020, which sees 1.6 billion tourists, meaning 25 times more than in the last 25 years.

Destination	Arrivals (millions)	% per year until 2020	Departures			
			Position	Country	Total departures	Market quota
China	137.1 mil.	8		Germany	163.5 mil.	10.2 %
USA	102.4 mil.	3.5		Japan	141.5 mil.	8.8 %
France	93.3 mil.	1.8		USA	123.3 mil.	7.7 %
Spain	71.0 mil.	2.4		China	100.0 mil.	6.2 %
Hong Kong	59.3 mil.	7.3		Great Britain	96.1 mil.	6.0 %
Italy	52.9 mil.	2.2		France	37.6 mil.	2.3 %
Great Britain	52.8 mil.	3		Holland	35.4 mil.	2.2 %
Mexico	48.9 mil.	3.6		Canada	31.3 mil.	2.0 %
Russian Federation	47.1 mil.	6.7		Russia	30.5 mil.	1.9 %
Czech Republic	44.0 mil.	4		Italy	29.7 mil.	1.9 %
				TOTAL	788.9 mil.	49.2 %

Source: WTA – Madrid

We notice again the accordance between these estimates and the Delphi Study.

Before we continue the analysis, we must underline the lacking of statistical data. Even the UN, as well as the TSA system are based on statistical data from states' balance sheets, positions "services, tourism, credits and debits", "transport, passenger services, credits and debits" respectively, with amendments and recalculations as followed, for countries which have not organized their report systems to UN standards. Whereas these data is being collected from reporting actors and have a certain degree of relativity, especially in structure. Furthermore, most of the legal tourism activity, enclosed in the financial system, is actually not regarded as tourism activity: we mention cash amounts (or even documents of paying, used not only for tourism) which tourists take with them and for which there is no clear evidence (in Romania, the exchange activity was removed from reports, justified, but tourists gain their needed currency to cross the border from this system, thus "escaping" tourism inclusion), although goods purchasing (exports towards tourists) reach 11% according to TSA statistics, yet they reach 30% according to questionnaires regarding the "tourist purchasing basket" realized by different organizations. The difference is sensitive. There are also expenses which make the reports and which actually have no connection with tourism: laborers transport, passenger services, newly included Internet sales, where it is harder to establish the establishment of the final beneficiary, etc. Add subterranean tourism to all this. Even more sensitive are works regarding the accelerating effect, or multiplying effect of tourism.

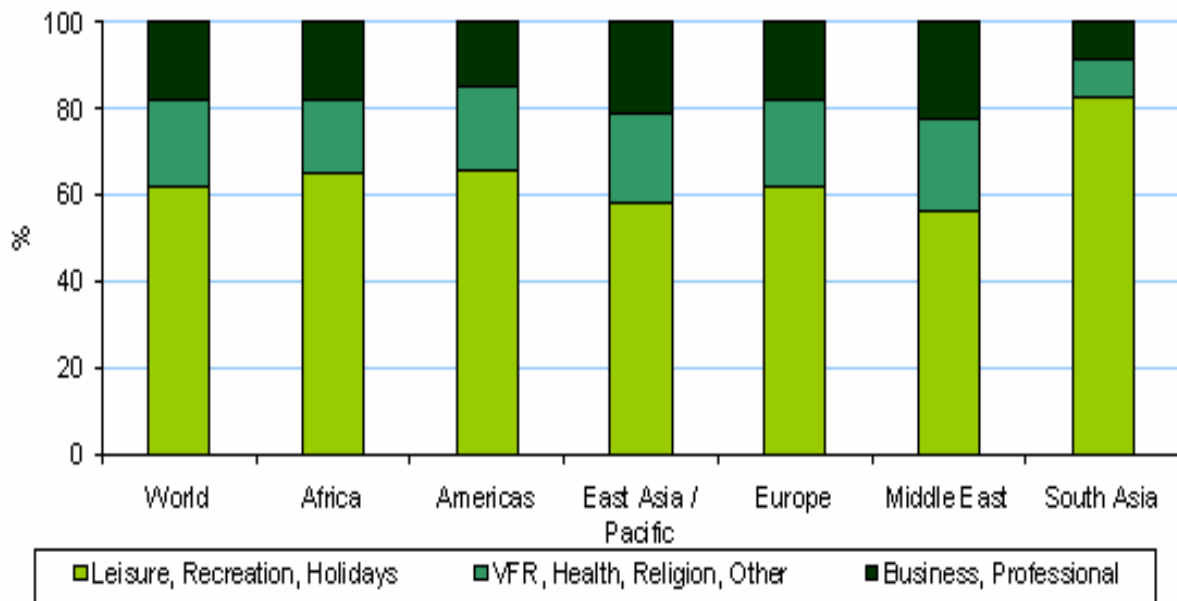
In conclusion, tourism is an activity "reserved" only to developed states, with a large potential for smaller countries, well controlled and dimensioned by state structures. Any analysis must be made carefully to include situations which recently occurred in either the theory or the practice of this field. Before we tackle the globalization phenomenon, we must analyze:

### 3.7.2 Tourist motivation

Tourism is a very complex activity. Theory represents several criteria on which motivations which move millions of people can be established. We are compelled to remind the readers that only the populations who can afford to make tourism are taken into account, and not collectivities which are forced to limit to traveling, of a rich minority within them.

For the beginning, we present 1998, the last available year for WTO statistics, the grouping of visits according to reasons for travel, according to WTO criteria.

International Tourism by Purpose of Visit, 1998



Source: World Travel Organization (WTO); numbers of June 2002

We do not intend to make an analysis of travel reasons, this subject being largely debated in the literature. We will however make several observations regarding some aspects which were on a low prospect or importance or where Romania is lacking.

A first noticeable aspect is the one concerning mass tourism. *Classical mass tourism* is connected to notions of agreement, recreation. It is *destined to the crowds, having escape from a daily routine as its main weapon, the search for the opposite of work, etc.* and it was used as a means of propaganda during the Cold War to sustain capitalism superiority. A typical product of mass production. But, as we take place at production becoming something else than mass production, a new type of change occurred in tourism as well. Of course, no one will give up the consumption society, meaning holidays abroad. However, the “production process” changed, in mass tourism, and a new one appeared, mainly characterized by<sup>120</sup>:

- Higher prices, a gliding towards comfort categories such as “Pacific”<sup>121</sup> and “all inclusive” services

- The vast majority is headed towards seaside tours, combined with short trips, which represent most of the leaving, along with voyages (sometimes of circuit type) to visit destinations of anthropoid creation: capitals, historic places, sport, destinations varying from cultural attraction right until sex. Examples: Amsterdam, Paris, the Olympics, etc.

- A deeper specialization of tourist products according to the “experience” that they offer. Modern techniques, especially information usage, allows for multiple programs to be developed on the same platforms, sometimes completely different (adventure, family tourism, sport, etc.) by combining different utilities and scheduled timetables, for clients of the same hotel.

- Social products offered by various social systems for less fortunate categories of people: retirees, unemployed, youth, etc.

- The very discreet delimitation – basically impossible to reveal, except of course for the train visit – between clients from developed states and clients from the rest of the world. At the

120 See also Antti Hankanen, *Postmodern mass tourism – impossible combination or future trend?* – communication at the ATLAS Conference – Visions of Sustainability – Estoril 14-16 November 2002

121 larger, more generous spaces, placed in a context regarding relaxation, entertainment, unlike the European ones, mostly concentrated towards utility, especially at the beginning of mass tourism

same time, “the exodus” of wealthy clients towards exclusive areas and the filling of the gap made by mass tourism: cruises, special locations, temporary reserved intervals, etc.

- A special diversification of tourist products towards “niche” areas for reduced groups of potential tourists, but which are well localized and identified, because their holidays are seldom different from their hobby: biking, mountain-bikes, climbing, diving, fishing, festivals, etc. the array being huge. Of course, these “niches” have small values, but they are included in mass tourism, as they are destined to recreation, agreement.

And last but not least, the *personalized selling mode, starting from the “experience” expected by the future client and not the material support on sale. Although standardized through the different combining of the same modules, tourist products for mass tourism are the easiest to sell on the Internet, so, impersonally, the goods go to the client, the process being similar to ordering pizza by phone.* Loosely possible for everybody in developed countries.

There has been a change in consumer behavior, now with more experience and more demanding, according to a new life style (families, couples with a single parent, couples without children and two salaries, etc.), third age people increased, etc., but there is a diminishing of high incomes, when compared to the large mass of the population. So, that tourism forms (sport travels, pilgrimage and healthcare, cultural tourism, theme parks, cruises) gained a momentum in development. An interesting case is in the cruise industry, where only between 1980 and 1999; the growth rate was 7.9%. This changed customs during the holiday: the hotel travels with the tourist challenging shore offers. Ecological and economic involvements are more and more debated.

Tourism industry began to apply a series of technologies which lead to breaking the standards. The IT & C system covers diverse fields: information services, booking, teleconference, videotext and video, brochures, business management systems, satellites prints for plane reservations, fund transfers, numeric telephone networks, and mobile communication. Networks allow for the integration of reception, administration, food and drinks coverage, and agreement services, etc. until a full integration is achieved, binding the supplier with the travel agency or even directly with the client.

Mass tourism is not conditioned only by the “cost” or the standard of living, one in increased growth and taken care of by social means of intervention, but is under a notable impact due to climate change, which impose restrictions to the new development of such destinations, for a fuller and fuller population, which comes after years of even more sophisticated holidays. Hotter areas, especially in the Pacific, where over 100 million millionaires live, a continuing growing number, have allowed for light, relatively cheap buildings, ergo luxurious. Europe had to align. But global warming made the minimum altitude to ensure an exploitation which is sufficient for profit, for winter sports to be at least 1800 meters. Capitals started fleeing from Europe towards the Appalachian Mountains or the northern countries<sup>122</sup>. Furthermore, entering within the circuit of new destination may be surprising: Finland rents for fishing whole rivers at low tariffs. And in Lapland, Sweden, there are ice hotels! These are examples, but gathered they become quantity. Of course, the decision regarding investments and their type’s remains connected in the balance of payment.

In notes made so far regarding mass tourism *we had to situate ourselves almost at the same time in the perspective of the tourist and the contractor and also the decider of tourist policy, whether he was a receiver or emitter, but also in the position of the investing capitalist.* And their interests differ, always concurrent and in dispute. We mention once again the attention with which any analysis or decision must be conducted. It is cheaper to simulate than to pour concrete. The latter is usually no longer returnable. Especially through the process of de-massifying tourism, one can not operate “in a wagon fashion”: we must satisfy special demands by each “compartment” or even every passenger, to deliver the periodic amount of “happiness” to the white or blue collar

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122 Sibiu officials needed 14 years to be persuaded by foreign specialists that the altitude of Paltinis is too small for a complete ski season. Officials from the Tourism Ministry are stubborn, and wish to build artificial slopes, with a very high price as compared to clients with purchasing power such as Romania

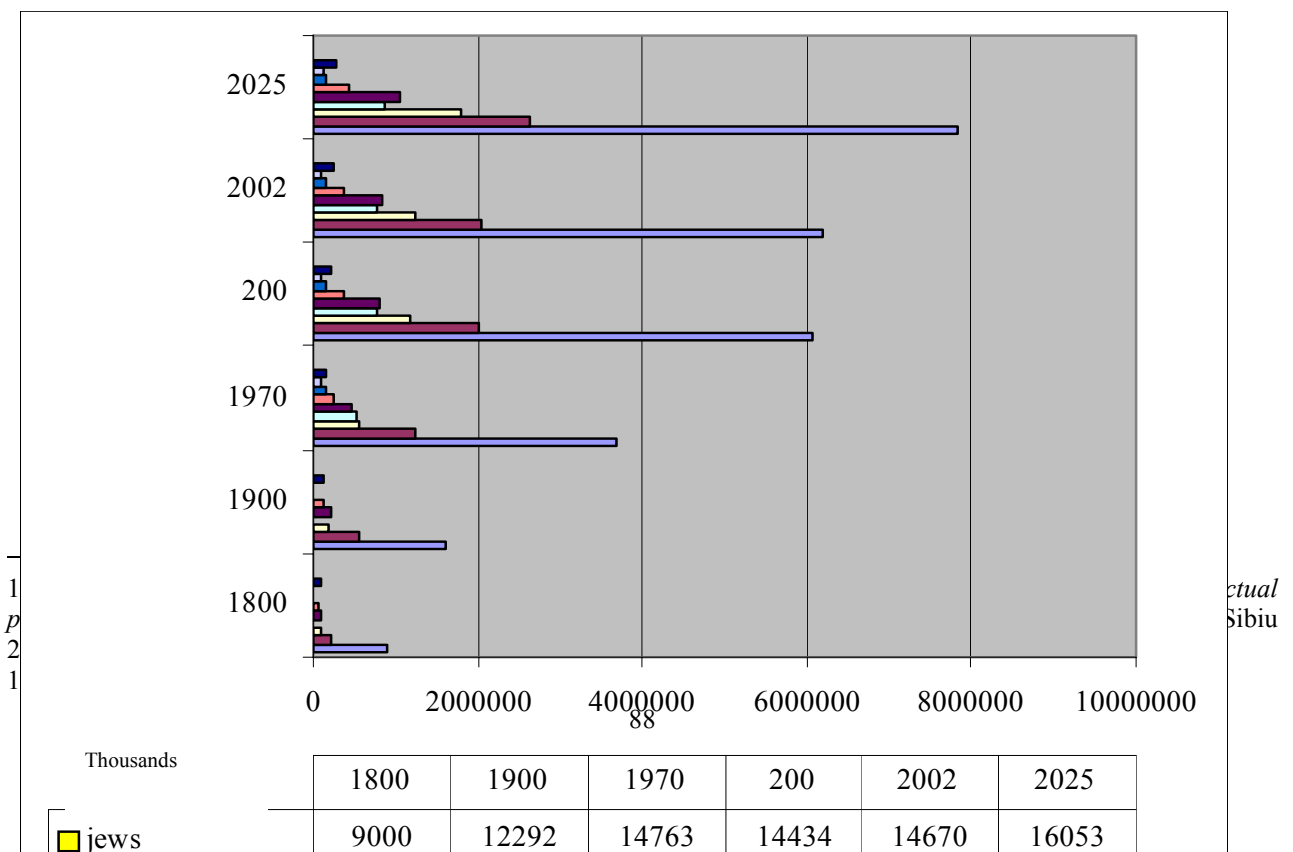


worker, which has correctly offered his services, as required by the system. Furthermore, the mass tourist must have the feeling that, during his holiday, he lives as he sees it on TV.

Circa 20% of traveling has health, religion, relatives visit and other grounds. Regarding health, we already mentioned the major change into this field. Still, the frequency of attendance at spas remains high and this form of tourism, even as mass tourism, is expensive. Spas have diversified their offer for parties, meaning tourists with above-average income. Noticeable is the growth of beauty services (from post-operation treatments to the classical *beauty salons* which have become increasingly sophisticated both in techniques – applying the latest technology, all the way to classic maintenance gymnastics – but with modern equipments). Actually, many *loisir* stations have built real structures for *the treatment of healthy people*, which combine sports and medication, with fanciness and agreement. Investments are costly but fast gainers, even in terms of a high moral usage degree.

Visits for relatives, those included in statistics are linked to personal issues. Here though, in subterranean tourism we find a strong root, this being one of the ways for illegal immigration. Many times, international visits are transformed into means of survival. In the same way, coming back to relatives which remained at home. During the time of the Iron Curtain, these visits were a real industry for Eastern Europe. Only in Sibiu, the selling of unfound goods was at a level of 2 million USD during 1985 – 1989.<sup>123</sup> There are still many countries where the system works. This form of tourism has its own specific details and must be studied as such. “Searching for the roots”, which often come into questioning, as an opportunity for attracting tourists, must be placed in the mass tourism chapter though.

A special motivation is religious tourism. Both as incoming (pilgrimage locations) as well as outgoing. We already observed that we live in a contemporary world of war and religious differences, in spite of the huge amount of knowledge and tragic experiences already known. The Holocaust was abominable and the perseverance of the Jews is more than admirable to keep the wound still open. Unfortunately, our world still knows such tragedies, passed into ignorance willingly or unwillingly. “The only good Indian is a dead Indian”<sup>124</sup>, Stalin’s purging in Russia – and extended to all occupied countries, for not crossing to the new belief: Stalinist communism, - unrecognized massive burial pits in Africa whose religious motivation seems odd, trough a lack of knowledge of “civilized” nations towards African religions, Cambodia, Former Yugoslavia, etc. Or another kind of “Holocaust”: the indifference of the wealthy and fed towards hunger stricken nations in Africa or Asia, thousands of children without future, millions of people sentenced to a life of misery by an economic system of abundance! And all this because of religion or faith.



Source: David Barrett's World Christian Encyclopedia

The roots are of substance and must be treated with patience and goodwill. They are part of the human nature, of the whole array of human beings, from yesterday, today and tomorrow. Especially now, when actions of the administration of the “great nation of Judeo-Christian faith” may easily fall into extremes<sup>125</sup>

Religious traditions are particularly strong. The evolution of the main creeds is given below. Most religions also mean pilgrimages to holy places. From the great mass of people only a few lucky ones make it there. Some become even passing fashion types and engulf large masses of people (Shinto, Zen, Buddhism, etc. at their time). The analysis of the statistic given below reveals that future conflicts may occur between peoples of the two major beliefs: Christian and Muslim. But life reveals that religions of relatively low numbers may have great impacts, as is the case of the Jews.

It would be interesting to see the volume of pilgrimages, the number of pilgrims, the duration, etc. as tourist information. Unfortunately, at least for the two famous places: Israel and the Arabian Peninsula<sup>126</sup> we were unable to obtain accurate statistics. In Annex 12 we present the series of data regarding the main religions with details for Christianity.

The financial power of religious structures is very high. We reproduce the statistics regarding Christianity. At least, the published numbers. However, accumulations made in time are not mentioned here, and they may have immense values. This explains the involvement of the church in tourism for believers. In the former East Germany, you can see numerous western German groups during the weekend, which visit these places on trips organized by the church, probably with another purpose, to help reconstruct the East. We find similar phenomena in all countries, mostly the USA, as a part of the actions to evangelize different cults. Information is hard

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<sup>125</sup> expression used by the US secretary, in a monumental error in a press conference in 2003

<sup>126</sup> At the Hajh ceremonies, in 2004, nearly 2.000.000 people took part. Almost every year, Mecca reunions are resulting in tenths and hundreds of people dead by trampling. In 1987, over 400 people; the largest incident was produced in 1990, when 1. 426 pilgrims lost their lives. These are just examples, not statistical series on which we may work.

to gather, being available only at worshipping places, which often refuse to make them public. But the phenomenon exists and is in full development. Actually, the first WTO Congress took place in Rome in 1967, after in 1963 Pope John XXIII issued the book “Tourism and pastoral care”, and later, Pope Paul the III will write about “Gaudium et Spes” – or, as a translation “buying spare time”. Since 1981 the “Ecumenical European Network on Third World Tourism” began its activity, as an institution of religious Christian tourism. The same can be said about other religions as well.

Still, these tourists often have special needs, they are very sensitive, and they require a lot of effort to be satisfied. Both the believers as well as those fashionably trained. There have been moments of glory for one or another belief. Actually, Macintosh computers have the “bitten apple” as a logo as a result of the inventor’s stage spent in India.

The third major motivation is business or professional tourism. Recently presented by Rob Davidson<sup>127</sup> in a unitary vision. Business tourism is perhaps the most profitable form under a financial perspective. But not only this: its presence and intensity are a barometer and an accelerator of economic life. This is characterized by the fact that expenses are supported by corporations, many times in full, so these are willing not to hesitate regarding sums which will be passed on to production costs for a better image of the enterprise or the organizers. On the other hand, business travels are usually reserved for decision people who are forced, according to customs, to ensure a certain representation, ergo to spend accordingly. Regarding the contractor’s perspective, this activity is very profitable for him, as it requires the mastery of several special techniques: a perfect knowledge of the rules of business protocol, a rapid adaptation of services to ensure the purpose for which the client organizes his trip (a success means the success of the client, not the supplier), but also a very demanding environment, which can ensure such a tourism. “EIBTM 5 Years Trend Report – Social and Political Trends, October 2003” enumerates, among the recent changes within the business tourism “population”: changes in active population (increasing number of active women, of elderly – 55 towards 60, 65 years -, of people living alone, the tendency towards multiculturalism and the perfection of management techniques of such situations, the participation of greater and greater numbers of unisexual, homosexual, and lesbian people); changes of balance in active life (a larger percentage allocated to tele-work, of temporary jobs in building a “career portfolio”, which allows for a special flexibility); changes in business practice (a larger and greater social responsibility of multinational corporations, powerful involvements of business tourism in the whole of tourism); changes of political geography (the apparition of 75 million) new consumers in countries considered as being from the Third World, the growth of official languages in the E.U., from 11 to 20, the increase of E.U. population with 20 – 25%).

According to Rob Davidson, there are 5 main components of business tourism: conferences, *incentive traveling*, fairs, special events and work travels. Numbers are impressive. For Europe:

Country	Income from business tourism billion. USD	Percentage	Percentage in total tourist income
France	32,2	17,3	24,9
Italy	27,5	14,8	28,5
Germany	26,7	14,4	13,2
Great Britain	26,4	14,2	17,6
Spain	17,7	9,5	34,6
Switzerland	7,5	4,0	26,5
Holland	6,7	3,6	18,1
Total (including others)	186	100	

Source: O’Brien, K. – *The European Travel Market* -1998

127 Davidson R., Olandason R., Cope Beulah – *Business Travel – Conferences, Incentive Travel, Exhibitions, Corporate Hospitality and Corporate Travel*–Person Educational Limited-1994, 2003

Even this short list implies a specialization of several destinations for business tourism. We shall add:

### Main destinations for reunion tourism

Country	Number of actions	City	Number of Actions
USA	894	Paris	361
France	757	Londra	268
GBR	722	Bruxelles	194
Germany	505	Viena	177
Holland	385	Geneva	166
Italy	332	Berlin	166
Switzerland	318	Madrid	166
Belgium	303	Singapore	136
Spain	294	Amsterdam	108
Japan	266	Washington DC	101

Source: Union des Association Internationales relatif aux congres, 1996 after Rodica Minciu, *Economia Turismului* Ed. Uranus 2000

### Fairs and expositions

- million visitors -

Paris	6,2	Barcelona	2,0
Milano	3,4	Amsterdam	2,0
Bruxelles	2,5	Munich	1,9
Hanovra	2,2	Geneva	1,2
Madrid	2,1	Frankfurt	1,1

Source: Rodica Minciu, *Economia Turismului* Ed. Uranus 2000

### Incentive Traveling market dimensions

Market	Number of travels – in mil.		
	Intern	International	Total
North America	4,4	1,3	5,7
Europe	2,2	2,0	4,2
Rest of World	1,0	0,4	1,4
Total	7,6	3,7	11,3

Source: Touche Ross, *European Incentive Travel Survez*, 1990 after Rodica Minciu, *Economia Turismului* Ed. Uranus 2000

A few remarks regarding this form of tourism:

International conferences, whether organized by corporations, associations, etc. are usually taking place in cities with a certain reputation and well-known by technocrats. An unknown city, uncertain from their point of view, is avoided. The manifestation is desired to be a prize and so it MUST be substantially unforgettable: a destination with multiple facilities and a wide array of attractions, but mostly experience, so that services are unique and guests can't find them anywhere else. Especially to allow the participant to arise envy to have used that certain place. At least among first rank locations. An unknown destination may be used as a curiosity, a variation, but if it has the capability to meet organizing criteria. If the organizer wishes to impress, the number of participants will be anywhere between 500 – 1000 people, if he desires something more intimate, he will limit to a few hundreds. Ergo the need for a quick access by air but also facilities for local travel, in sufficient number and safe<sup>128</sup>. Most of the times, for each group or guest a separate transfer is demanded, so the force to answer this requirement. Hotel capabilities must at all costs belong to a famous chain of hotels, (its absence may cancel the manifestation) and

<sup>128</sup> usually, transport companies avoid such actions because they are rare enough and the need of transport is low

with sufficient rooms.<sup>129</sup> Of course, the service standard must be over the level. Organizing facilities (halls, equipment, artists, secretaries, various other elements, including personalized flower arrangements, on-place printing of flyers, etc.) must include experienced personnel. Basically, after the establishment of services in detail, the organizer must be free to achieve his purpose, not to check the manner in which services are applied. Here, the Romanian Convention Bureau made important steps towards preparing personnel, but hotel chains are still based on the experience of their own employees.

Most fairs are manifestations which “block” the activity of a major city for a few days. Their size may vary from the Olympic Games to business launches. In this case, the logistic chain is long and diverse. Great expositions are traceable by the same rules. For tourism, Berlin and London to be “seen”, Madrid and Zurich to sell – when talking about Europe. Entry on the market of international fairs means a large sunk goodwill, in order to accumulate enough diversified logistics but also to specialize an impressive number of workers so that “costs” are very high and are extended over several years. The location of the expos must take potential partner commodity into account. Many times those who participate join congresses or conferences, thus saving costs.

*Incentive* traveling is more and more often used either to reward own employees, or as an element of intervention in the atmosphere one’s own employees, whether as a prize for partners and collaborators. Actually they are some sort of a legal bribe. This is why pretensions are extremely high. Clients are the eternal travelers of the modern business world: they’ve seen it all, they’ve been everywhere but one must offer them an “experience” to remember. Imagination has no boundaries, like impeccable organization. Groups are either small (15-30) or either very big. For example a day in Budapest: after a transfer and settling in, after business visits, a trip on the Danube with the boat to a village where you get a special welcome (band, late lunch and buffet), a rally with Trabants (former East German car) for 3 km of land, two in an automobile. After the honoring of the champions, by coach or horse one can reach a settlement where a traditional folklore supper is installed (restaurant of a super-luxury level). The evening is enclosed in a night bar in Budapest. SITE is the international structure which coagulated the agent that offered such programs.

Special events: they are the means by which companies maintain connections and image by inviting for attendance to specific manifestations different clients or key partners, mass-media collaborators, members from work-points, etc. The atmosphere is intimate and allows for a profit from conference techniques and the specifics of *incentive* traveling. This is an area where we also have a start, even if we are an unknown destination.

Business tourism is linked to areas where most of it takes place. Clients are very pretentious, although apparently simple. They suppose technical accumulation and powerful infrastructure, as well as the existence of a functional system of tourist destinations, which can allow for a convergence of local forces towards success and maintaining the location actual. Usually, the season excludes the summer – holiday time – and weekends. Here we must also mention political manifestations here, which, except for imperious security measures, change the system of financing and intermediaries, usually protocol services.

The facts so far reveal that tourism is **an important sector of world economy, but how can we know it is a global activity?** By comparing data from Annexes 4, 7, 8 and 9, we will immediately notice that these numbers do not reveal a global activity, or at least not a uniform one. Furthermore, the “derivate” effect, the psychological effect of this activity on the population called tourists and that called workers in tourism as well as on the population in receiving countries (but also a few emitting countries – as we shall see in the next chapter concerning mass-media and tourism) is perhaps more important than all the economic results. *And especially to see whose protest? The affirmation that globalization is conditioned by means of communication and transport is applied in tourism as well?*

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129 the largest hotel in Bucharest (Marriott) has 402 rooms, and as a whole, the city can not offer 3-400 rooms in close hotels of 4-5\*

### 3.8 International tourist activity: global activity by excellence

The apparition of the automobile and the expansion of the American lifestyle lead to the developing of infrastructure. The state intervened directly here. No roads, airports, railroads, sewer, water, electricity means no tourist activity. Treating the infrastructure, although different from state to state, especially due to the concrete historical perspective of its realization was nevertheless Unitarian for most countries, in order to make their usage more feasible. International accords between states, the usage of the UN system, were determinant. Less known is the lobby made by interested circles in afterwards exploitation: members of auto-clubs, of yacht clubs, aviation clubs, have been many times those who have directly decided or influenced political decision both in terms of norms and regulations, but also regarding international financing.

The private sector though mainly focused on areas of direct profit: hotels, restaurants, entertainment. But here several projects have been substantially state supported. At the end of the war, except the USA, only a few hotel chains have been operable. *What characterizes a hotel chain: a certain type of services and a certain area of clients served on most of the globe. Also, a certain philosophy regarding services, but also life conception.* If Carlston or Hilton is by excellence conservatory, Intercontinental or Marriott are enterprising, successfully aimed in business: according to that, services are also different and clients come from different areas. For example, Marriott's motto is "At your service. When you're comfortable you can do anything".

Which is the situation today? Let's see the statistics of basic tourism services.

#### 3.8.1 The Hotel Sector

Rank 2001 2000	Company Head quarter	Rooms 2001 2000	Hotels 2001 2000
1 1	Utell Ltd. (Pegasus Solutions) Dallas, texas, USA	971581 1139708	5456 6351
2 2	Lexington Services Corp. Irving, Texas, USA	495000 515000	3800 3975
3 3	Unirez Grapevine, Texas, USA	376467 262050	2561 1747
4 ...	SynXis Corp. McClean, Va. USA	220957 ....	1785 ....
5 4	Supranational Hotels London, England	187500 192500	1457 1609
6 5	VIP International Corp. Calgary, Alberta, Canada	159409 130475	1350 1136
7 8	Hotusa-Eurostars-Familia Hotels Barcelona, Spain	85750 78000	975 977
8 7	Leading Hotels of the World New York, N.Y., USA	84000 82000	395 380
9 9	Keytel SA Barcelona, Spain	84000 74200	840 742
10 10	SRS Hotels Steigenberger Frankfurt/Main, Germany	77362 71362	394 375
11 6	IndeCorp Corp. Chicago, Ill. USA	76129 90000	337 418
12 11	Logis de France Paris, France	70000 65061	3500 3681
13	InnPoints Worldwide	62955	623

14	Albuquerque, N.M. USA	26547	379
14	Associated Luxury Hotels	41655	63
13	Washington D.C. USA	38083	62
15	Sceptre Hospitality Resources (SWAN)	34078	115
12	Englewood, Colo. USA	53920	105
16	Historic Hotels of America	32066	173
12	Washington, D.C. USA	31411	167
17	Minotel International	29000	575
16	Lausanne, Switzerland	31000	725
18	TOP International Hotels	25000	220
17	Duesseldorf, Germany	30500	245
19	Luxe Worldwide Hotels	22600	226
18	Los Angeles, Call. USA	25000	165
20	ILA-Chateaux & Hotels de Charme	17676	401
20	Brussels, Belgium	17810	403
21	Flag Choice Hotels	17485	353
19	Melbourne East, Australia	23236	435
22	Small Luxury Hotels of the World Surrey,	14891	273
22	England	14078	270
23	Relais & Chateaux	14540	469
25	Paris, France	10500	452
24	Design Hotels	11510	169
23	Sausalito, Call. USA	12500	170
25	Chateaux & Hotels de France	10547	523
24	Paris, France	11407	532

Rank	Chain	No hotels	Brand	No rooms
1	<b>Cendent Corp.</b>	<b>6624</b>	<b>Best Western</b>	<b>306851</b>
2	<b>Choice Hotels International</b>	<b>4545</b>	<b>Holiday Inn</b>	<b>294493</b>
3	<b>Best Western International</b>	<b>4052</b>	<b>Days Inn</b>	<b>164092</b>
4	<b>Accor</b>	<b>3654</b>	<b>Marriott Hotels Resorts &amp; Suites</b>	<b>158112</b>
5	<b>Six Continents Hotels</b>	<b>3274</b>	<b>Comfort Inns</b>	<b>131847</b>
6	<b>Marriott International</b>	<b>2398</b>	<b>Sheraton Hotels &amp; Resorts</b>	<b>127904</b>
7	<b>Hilton Hotels Corp.</b>	<b>1986</b>	<b>Super 8 Motels</b>	<b>125016</b>
8	<b>Societe du Louvre</b>	<b>933</b>	<b>Ramada Hotels</b>	<b>120515</b>
9	<b>Carlson Hospitality Worldwide</b>	<b>788</b>	<b>Hampton Inn</b>	<b>117806</b>
10	<b>Starwood Hotels &amp; Resort Worldwide</b>	<b>743</b>	<b>Holiday Inn Express</b>	<b>103522</b>
11	<b>U.S.Franchise Systeme</b>	<b>500</b>	<b>Radisson Hotels &amp; Resorts</b>	<b>100874</b>
12	<b>Extended Stay America</b>	<b>431</b>	<b>Motel 6</b>	<b>90276</b>
13	<b>Hilton Group plc</b>	<b>384</b>	<b>Hilton (Hilton Hotels Corp.)</b>	<b>86063</b>
14	<b>Whitebread Hotel C350ompany</b>	<b>357</b>	<b>Quality Inns, Hotels &amp; Suites</b>	<b>84760</b>
15	<b>C.H.341E. Group plc (formely Friendly Hotels)</b>	<b>351</b>	<b>Courtyard by Marriott</b>	<b>78785</b>
16	<b>Sol Melia SA</b>	<b>350</b>	<b>Mercure</b>	<b>72536</b>
17	<b>Tharaldson Enterprises</b>	<b>341</b>	<b>Hilton (Hilton International)</b>	<b>66246</b>
18	<b>La Quinta Corp.</b>	<b>338</b>	<b>Hyatt Regency</b>	<b>65576</b>
19	<b>Westmont Hospitality Group</b>	<b>287</b>	<b>Ibis</b>	<b>60939</b>
20	<b>TUI Group</b>	<b>278</b>	<b>Novotel</b>	<b>57917</b>

21	<b>Meristar Hotels &amp; Resorts</b>	277	<b>MGM Mirage Hotels</b>	52837
22	<b>Golden Tulip Hotels, Inns &amp; Resorts</b>	277	<b>Howard Johnson</b>	49831
23	<b>Hospitality International</b>	240	<b>Crowne Plaza</b>	49392
24	<b>Prime Hospitality Corp.</b>	234	<b>Travelodge</b>	47688
25	<b>Hospitality Properties Trust</b>	230	<b>Residence Inn</b>	46063

Source: www.ih-as.org for statistics

Here is how, the expansion of the American style began immediately after the war in a field which could be easily used as a living example. From the table above we can clearly see the importance of each country and we will have a global image of control, so the functioning of the hotel industry. But things don't stop here. To owned hotels one can add the "annexed" ones:

### First 10 chains operating trough franchise

Company	Total hotels operated trough franchise		Total hotels in company	
Cendant Corporation	6.258	99%	6.315	100%
Choice Hotel International	4.248	100%	4.248	100%
Bass Hotels & Resorts	2.563	89%	2.886	100%
Hilton Hotels Corp.	1.357	80%	1.700	100%
Marriott International	998	53%	1.880	100%
Carlson Hospitality Worldwide	581	94%	616	100%
Accor	568	18%	3.234	100%
U.S. Franchise System	374	94%	400	100%
Société du Louvre	372	38%	990	100%
Starwood Hotels & Resorts	299	42%	716	100%

### Top 10 companies operating by management contract

Company	Total hotels operated trough management contract		Total hotels in company	
Marriott International Inc.	759	40%	1.880	100%
Société du Louvre	565	57%	990	100%
Accor	456	14%	3.234	100%
Tharaldson Enterprises	314	100%	314	100%
Westmont Hospitality Group	296	100%	296	100%
Starwood Hotels & Resorts Worldwide	204	28%	716	100%
Hyatt Hotels / Hyatt International	191	100%	195	100%
Marcus Hotels & Resorts	185	100%	185	100%
Bass Hotels & Resorts	175	6%	2.886	100%
Hilton Hotels Corp.	173	10%	1.700	100%

Source: www.ih-as.org for statistics 1999

We notice that some chains considerably increase their power of influence trough the two methods: sometimes larger than their own sector. It is also interesting to study the location of the annex units. Many times, great companies are just begged to come into an area: Arab countries made great efforts to integrate, by bringing in great chains.<sup>130</sup> But not only them. The presence of famous chains is considered a warranty of the business environment: at least this is what emissaries say (perhaps not without interest) who comes into countries not yet included in the global economy. Their theory explains that a destination is not considered desirable and opportune unless the safety "brand" is given. So, a city with gas pumps of known companies, with

130 see also <http://www.dubaitourism.co.ae> for the situation in Dubai



McDonald's, DHL, with shops selling known cars, international hotels, etc. which you can see either from train, planes, or on roads in the city, "exists". Otherwise it is simply a transit point.....

As an example we may give Romania, which in the last decade (but before as well through Intercontinental) made several efforts to ensure services considered essential to a country with a good business environment. Romania also illustrates advantages that global hotel groups offer: no investment in infrastructure; the Marriott used the existent building, Hilton the old one, etc. and most investments were made by the Romanian counterparty. Chains brought prestige and charged for it. Sometimes, management is so poor that it becomes costly for the hotel in such a situation (see also World Trade Center and Sofitel Bucharest). It is an eloquent example of globalization and global interest which respect all the conditions mentioned at the beginning of the paper. The technocrats which lead these chains have their own interests. And owners can not and have no interest to do it as long as a promised dividend is assured.

Globalization in hotels has deep roots, ever since 1880 - 1890<sup>131</sup> following a series of steps: *ethno-centered*, great chains within the same country, *ethno-centrism*, great chains with external expansion as an "appendix", as well as *polycentrism*, based on national management on a "state to state" basis, *region-centrism*, focusing on a region, *geo-centrism*, the quasi-modal expansion based on the functioning of the product, its stability and standardization for cost depletion. In parallel, there follows the evolution of the product strategy, from the offer of rooms, to conferences, to health centers, which we find today in all hotels of a major chain.

The value of the chain concept includes: housing acquisitions, construction facilities, design, franchise, operational management, human resource management, marketing and sales, reservations and information, administration control, client services.

It is obvious that most of American capital influences this whole activity. However, we must underline that this phenomenon basically ended in the hotel business in the sixth decade of the past century, while in other branches we talk about it only from the 7<sup>th</sup> – 8<sup>th</sup> decade. Aside from its precursor role, the hotel system was the environment in which global technocracy was created, where future actions were settled and established. And nobody protested against the globalization of hotels: many profited from it, using their spare time as tourists for the profit of global structures.

We emphasize on another aspect which reveals the importance of the global decision and the way in which it comes into effect. Until the war, Europeans were treating themselves in famous resorts. Observing that great hotel chains did not have significant establishments in resorts came as an explanation of the American system. American medicine is considered business. Treatment is a cost, a loss. So, the medical act must ensure the ill will return to work as soon as possible, as we said before. The development of the chemical industry set the grounds for a large and profitable medication. Much more profitable than Balearic treatment. Furthermore, immediately profitable while the multiplying effect of tourist cash is much slower. Yet still, poorer countries are compelled to develop natural tourism and so to take on themselves the task of global systems. Still, major hotel chains (brands) have sport or maintenance facilities, one way or the other, they maintain an offer subsidized by technocrat clients. But there are exceptions.

### 3.8.2 The Restaurants system

A similar situation can be found in the restaurant system.

In 2003, the sales of the first 400 restaurant chains in the USA tallied 207.6 billion USD, a 5.6% increase from 2002. For many chains, it was necessary to open new units to compensate the decrease in sales of existing units. The "burgers" segment remains the largest holding 33.7% of the top 400 units. Still, its domination slightly decreased. Last year, it had 34.5% of total sales. The "menu" type system (categorized by the R&I as snacks/coffee) has the largest growth as relative strength (from 6.9% to 7.7%). It includes concepts of fast food such as Starbucks, Krispy Kreme, and Doughnuts. Contribution of external sales in total income continues to grow. The first 400

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131 see also Go, M., Pine, R. - Globalization strategy in the hotel industry – Routledge, London 1995

restaurants remain strong: the top 100 account for 85% of sales and 81% of total units. The first top 10 chains had a 99.1 billion dollars income in 2002, meaning 47% of total income.

The “consolidation” restructures the food industry. The first top 10 (McDonalds’s Corp., Yum! Brand, Diageo PLC, Wendy’s International, Darden Restaurants, Allied Domecq Quick Service Restaurants, Brinker International, CKE Restaurants, Outback Steakhouse and AFC Enterprises) estimate sales of 107.5 billion USD, meaning 51.8% of total incomes. Outtakes are numerous: O’Charley’s took the 99 Restaurant and Pub chain, Burger King took Diageo PLC – which “exited” the top – Consolidated Restaurant Operation took over Chevy’s Fresh Mex, Rio Bravo Fresh Mex, El Chico Café, etc.<sup>132</sup> which indicate monopolization in the USA. This is reflected through the expansion of chains throughout the world, all these names being found on all other continents.

Statistical data does not allow for a clear evidence of how much of restaurants sales are for tourism, especially because in developed countries going to the restaurant is a well-known custom. And the first who profit are great restaurant chains. Yet, they are the first suppliers for tourists, except hotel restaurants, as they are preferred by mass tourism for the stability of offered services. Anyway, the globalization phenomenon is obvious. In Europe, although a similar situation, restaurants (and hotels) are more differentiated, because clients prefer smaller units. Still, the bulk of clients (and income) belongs to large hotel chains.

The size of the hotel and restaurants sector in Europe<sup>133</sup>

<i>Units (classified only)</i>					
<i>country</i>	<i>hotels</i>	<i>restaurants</i>	<i>Coffee shops</i>	<i>Mess halls</i>	<i>mixed</i>
Belgium	1930	21057	29724		
Danmark	481	7866	2441	2802	
Finland	1100	3800	6900	1700	
France	28698	81313	49239		
Germany	40041	108677	69068	6399	
Italy	34000	90000	150000		
Spain	26388	58886	213987		
GBR	40000	100000	80000	16000	
Hungary	2002	9932	41310		
Norway	1274		231	604	3316
Switzerland					25000
Ireland	1072	2571	8694		
Holland	2895	19181	19396	2866	
	179881	503283	670990	30371	28316
Total					1412841

<i>personal</i>					
<i>country</i>	<i>hotels</i>	<i>restaurants</i>	<i>Coffee shops</i>	<i>Mess halls</i>	<i>Mixed</i>
Belgium	12242	46601	17344		
Denmark	11831				22088
Finland	14700	18200	12200	10400	
France	186456	376598	90308		
Germany	301000	527000	209000	26000	
Italy	245000	450000	300000		

132 after Scott Hume R&I Managing Editor - *Back to the Future* – www.rimag.com

133 www.wttc.org-statistics

Spain	158536				461300
GBR	330000	320000	350000	120000	
Hungary	27000	82000	105000		
Norway	16400		1600	1500	16700
Switzerland					170000
Ireland	32520	40667	76239		
Holland				20000	271000
	1335685	1861066	1161691	177900	941088
					5477430

### Labor force in tourism in several countries 1999: (thousands)

country	Total employees	Of which women %	Of total, with contracts
Egypt	227,0	12	162,5
Bahamas	21,1	58	
Canada	924,8	60	826,0
Mexico	1807,5	54	972,2
Singapore	121,2	49	90,2
Macao	21,7	51	19,7
Germany	1188,0	59	906,0
Austria	212,2	64	
Croatia	74,0	54	56,4
Spain	848,7	47	551,2
Greece	249,2	41	128,5
Hungary	133,2	52	
Romania	123,9	66	114,6
Great Britain	11650,0	61	
Czech Republic	159,0	58	130,0

Source: HOTREC / Confederation of National Associations of Hotels, Restaurants, Café and Similar Establishments within the European Union and European Economic Area

In numbers, the hotel sector, restaurants, cafes, account for 6% of E.U. GDP, the strongest sector of the tourism industry, meaning 50% of incomes, 50% of tourism employees, accounting for 6.000.000 people working, meaning 4% of the labor force, and over 1.5000.000 individual entrepreneurs, 40% of total world hotel capacity, 6 of the first 10 countries in the top tourist destinations, 60% of international tourist arrivals, 4% annual growth prediction until 2010. The sector includes 1.500.000 enterprises, 99.95% of small or medium dimension and 95% use less than 10 workers, 50% of personnel are women, circa 20% are individual authorized workers, 54% of employees have a basic education, being the sector with the highest degree of “social insertion”.

Trough this “negative” example, we notice that 50% of incomes are created by 0.05% of the enterprises, so giant enterprises which control the second largest tourist quota on the world tourist market: the E.U. Actually, the headquarters of several large hotel chains is in Europe, and the “brand” idea is also of European origins.

A common issue for this sector is the compulsory need to comply with a large number of laws and regulations. In Great Britain, these surpass 200.<sup>134</sup> Things are the same in the E.U. Several steps have been made to diminish this; the HOTREC published a compendium of 200 European measures affecting hotels, restaurants and coffee shops, thus opening discussions on E.U. forums for a real uniformity of rules.

Taxes are another means against the modern means of transportation. Facilities are immediately followed by new taxes. The WTTC calculated that fiscal measures increased between 1994 an 1999, in 42 of the 52 countries of the study. There are also encouraging measures: a low VAT in the E.U. (the reduction of the quota in Ireland meant 30000 new jobs). A faulty politics

<sup>134</sup> *Tackling the impact of increasing regulation – a case study of hotels and restaurant – Better Regulation Task Force 2000*

may put suppliers of tourism in the impossibility of aligning themselves to competition prices or may lead to the degrading of the material basis.

Applying the legislation and the tax system is most of the times annihilated by big tourism structures through pressure made on political factors to grant them exceptions or by “balancing” funds at the chain level towards more understanding countries, while small actors must conform, accepting terms which are clearly unfavorable in the competition.

### 3.8.3 The aviation sector

Although transportation means are diversified, although the average distance in tourism is 65 miles, more connected to the car, the usage of transportation in international tourism is varied.

The distribution of tourist arrivals on means of transportation, in several countries.

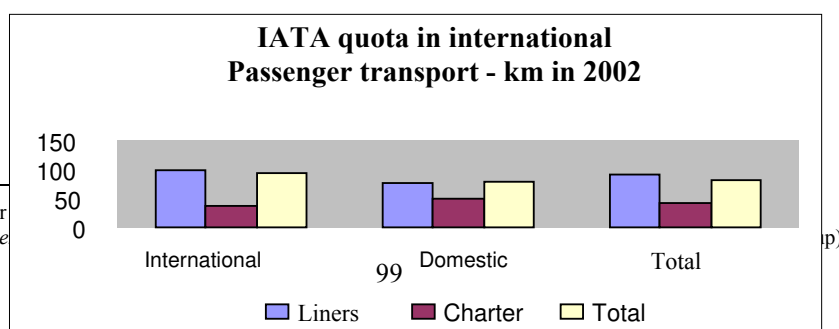
Country	Transportation means			
	Road	Aerial	Naval	Railroad
GBR	-	67,6	32,3	0,1
Australia	-	99,6	0,4	-
Canada	61,8	36,2	1,6	0,4
France	72,0	14,0	7,5	6,5
Greece	8,1	78,5	11,5	0,3
Italy	72,9	15,7	3,6	7,9
Japan	-	97,6	0,4	-
Mexico	70,5	29,5	-	-
Spain	55,5	38,5	2,3	3,7
USA	26,2	56,9	16,7	-
Turkey	15,8	72,4	10,7	1,1

Source: OECD, *Tourism Policy and International Tourism in OECD Countries*, Paris 1996, p.173 preluat după Rodica Minciu, *Economia Turismului 2000*

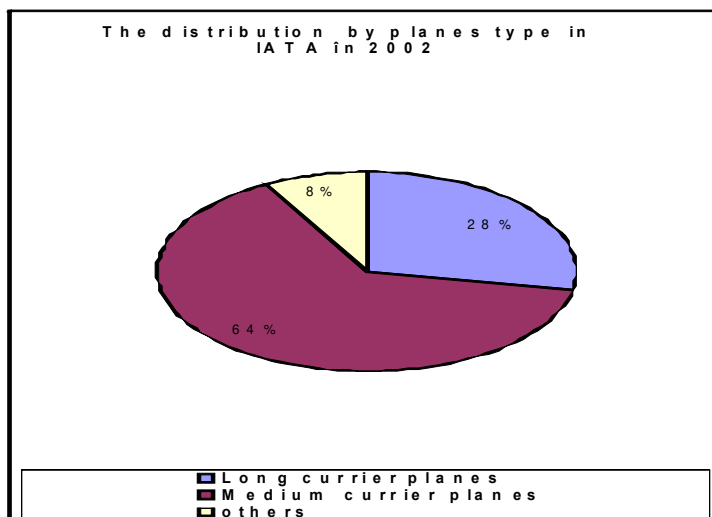
For most countries, which we have also found at the top of the tourist destinations, the dependence on aerial transport is obvious. Business tourism emphasizes on this.

In the aviation sector, interest groups have used a lobby to involve the state. International aviation transport is impossible without an international law that functions even in terms of cold war or conflict. Production capabilities are strictly localized: most industrial states which also have a saying in international organizations. These are two of the causes for which international accords, such as IATA<sup>135</sup> appeared. The liberalization of international aerial transport, controlled by industrialized or recently industrialized countries plays a key role in the development of tourism. In developing countries, 80% of international tourist arrivals are made in such ways, which also has effects on the net income of the tourist activities. In 1998, 28.000.000 people were employed in this sector. In spite of all negative shocks conceived, for 2010 the number of tourists is estimated at 2.3 billion and employees over 31.000.000.<sup>136</sup> The liberalization of aerial transport became the object of the GATT. Since 1997, negotiation of multilateral accords regarding open skies between the USA and the EU covers 70% of traffic. Aerial company alliances, a new fact, have transformed in new structures, with a huge financial force. So, international organizations and the state itself were used in the interest of global structures.

### IATA quota in international passenger transport – km; 2002



135 IATA – International Air  
136 IATA – *The economic be*



Source: World Air Transport Statistic – IATA 2003

IATA had, on December 31<sup>st</sup>, 2003, 273 members in 143 states which had 11338 planes of which 10455 were jet propelled. It is obvious that this association dominates the industry severely and imperatively.

Until the 8<sup>th</sup> decade a small number of companies were not state owned or did not have the state as a major stock holder. Government subsidies allowed a conversion of the war fleet a modernization of the civil fleet and the maintaining of the employed labor force. At this time, the number of state-owned aerial companies is decreasing.

Major changes occurred with September 11<sup>th</sup>, 2001, but not only. The SARS epidemic in Asia had even more disastrous effects, as one can observe by studying financial results. This was due to the distribution of major line routes in the world, as well as the percentage of charter flights.<sup>137</sup>

### The most crowded routes in liner traffic in the world<sup>138</sup>

	Thousand offered places	Number of flights	Number of companies
London - Paris	492	2987	8
Hong Kong - Taipei	465	1473	7
Jakarta - Singapore	351	1616	15
Bangkok – Hong Kong	322	1049	10
London – New York	320	1119	8
Honolulu - Tokyo	278	643	6

<sup>137</sup> Even if IATA statistics are unavailable due to high costs, the permanent consulting of the information bulletins of IATA and other structures allow us to affirm that changes are not essential as to those presented below.

<sup>138</sup> Resabook Transportateurs, 1998 preluat după Cristiana Cristureanu – *Economia imaterialului: tranzacțiile internaționale cu servicii* – Ed. ALL Beck 1999

Amsterdam - London	274	1995	8
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### Number of planes and income for the first 10 companies<sup>139</sup>

Company (no Hierarchization)	Number of planes	Income MIL. USD
AMERICAN	672	15816
UNITED	536	14511
DELTA	551	12295
NORTHWEST	359	8649
CONTINENTAL	319	5775
BRITISH AIRWAYS	229	9550
US AIR	445	7083
AIR FRANCE	220	9728
JAPAN AIRLINES	103	9160
LUFTHANSA	219	10746

Although data has changed, the conclusion remains: the abundance of American companies. Statistics reveal that we have profitable companies, but also companies with losses. Yet, even a simple analysis reveals that we can not cover flight costs, especially when talking about charter flights. This aspect was overcome by global groups with state help and at the initiative of developed states, the IATA system. The international system of tariffs follows certain.

Unitarian rules and gives way for free competition. But it also includes a feedback and several services which substantially decrease costs: a free usage of tracking and guidance systems, symbolic taxes for airport usage, etc. So, an acceptable price can be reached for almost everybody. But the most important part is directed towards certain groups.

As the aerial fleet is concentrated in the propriety of 20-30 companies and the main airports are located in developed countries, where aerial traffic is intense and almost continuous.

### Main airports according to passenger and cargo – 1999

Airport	Number of passengers -mil-	Cargo -thousand tones-	Airport	Number of passengers -mil-	Cargo -thousand tones-
Atlanta	78,1	827,5	Tokyo	54,3	608,3
Chicago – O Hare	72,6	1912,4	Frankfurt/Main	45,8	1782,9
Los Angeles	64,3	2036,1	Paris –CDG	43,6	927,2
London –Heathrow	62,3	1141,3	San Francisco	40,4	793,5
Dallas/Fort Worth	60,0	841,7	Denver	38,0	574,1

Source: ICAO, Airport Council International Report, 2000 after Rodica Minciu, Economia Turismului

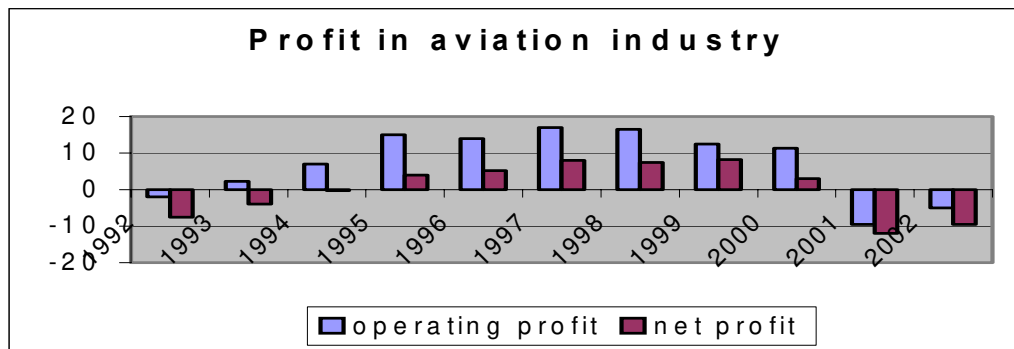
Note: Otopeni Airport is placed 279 with 1, 7 mil. Passengers

### Geographical distribution of the first 100 aerial companies

Area	Number of companies	Percentage in economic and financial results (%)
North America	24	39,5
Europe	34	33,5
East and Pacific Asia	21	20,8
Latin America	10	3,2
Africa and Middle East	11	3,0

Source: Airline Business, 1995 (passenger number) after Rodica Minciu, Economia Turismului

A tendency in the last few years is the “consolidation”, the fusion of aerial companies. The most known such companies are Alianz (which groups Austrian Airlines, Lufthansa and Tyrolem) and recently the fusion of Air France and KLM<sup>140</sup> which sends them to third place, after American Airlines and Delta. Remarkable is the fact that the French state will continue to own 44% of the total stocks of the group. Fusions are compulsory, on this market where the const of individual investments grew dramatically, so that, in order to have more kicking power, companies are bound to unite. This is even more important as great aerial companies, the technocrats bounded to them, which are numerous, influential and financially motivated must face strong pressures to overcome the period of economic difficulty which followed September 11<sup>th</sup>, 2001.



Source: World Travel Organization (WTO);

Experience and the general trend of economic evolution, known by anybody who has taken a look on the overall global situation, makes us state that the situation between 2001 and 2003 was a great opportunity for modernization and restructuring of the aerial fleet, with public acceptance. A fresh mouth of oxygen for the economy. Amounts are huge: for antiterrorist measures, for increasing flight security, to form new customs in flying. Research indicates that American businessmen which are forced to use planes due to distances, adapted to the new rules: they are 1.5 hours present before the flight, increased from 20 minutes, they adapted their clothing and shoes for easy controls, they use easily accessible hand luggage, they gave up objects which require detailed controls, (avoiding “bizarre” shaped objects, certain mascaras which set alarms off, etc.). At the same time, the battle between companies is no longer on the field of on board services, which require costs (meals, free unlimited drinks, etc.) but rather promoting existing equipment for the increase of comfort and agreement. Furthermore, there are talks in different acknowledged circles about the promotion of long currier flights: new types of aircraft of large capacity, with increased independence and lower costs which already begin to exit constructing plants – few in number, basically the same as at the end of the war – reducing to half the duration of a transoceanic trip. Meanwhile, short distance flights are being discouraged, both by prices and by cancellation of flight in order to make way for substitution transport means. It is clear that the aviation industry will know several profound mutations already announced by large capital concentrations in the last few years and in closer perspective.

*The analysis may continue in the fields of automotive industry, naval industry, etc. we will find the same globalizing situation. Corroborating Annexes 4 and 9 which show the provenience and destination of most international tourists we clearly see qui prodest.*

140 Air France took over Dutch operator KLM, in a transaction estimated at around 784 million euro, thus forming the third largest transporter in the world and the new leader on the European market, dethroning British Airways. The fusion between Air France and KLM – the second, and the fourth European operators respectively, represents the first major transaction in the European industry. KLM shareholders will control 19% of the capital of the new group, while **the French state will reduce its participation from 54% to 44%**. The rest of the stocks (37%) will be controlled by Air France shareholders. Alitalia announced recently that it to will begin negotiations to join the new company.

### 3.8.4 Tour-operators

Tour-operators are the most important link in the entire tourist chain: they make the intimate connection which is established between a supplier of basic services and tourists which purchase these services, grouped as a whole. They organize packages of programs according to the desire of each tourist, with the support of the supplier; they answer from a juridical point of view for deficiencies which occur during the holiday, this is why they made up the “general terms” for working with clients and the “specific terms” which resulted as a collaboration with each of the agents; finally, they keep track of intermediaries in issues such as visas, different taxes, insurance, travel tickets, etc.

The first tour from a modern perspective was realized by Thomas Cook in 1841, when he took it upon himself to ensure the transport of 540 people on the railroad from Leicester to Loughborough on a 22 mile distance. From this endeavor he gained no profit, but he saw the means to remedy this: from discounts obtained for the large number of solicitors, he obtained profits, bigger and bigger, and so he developed his business, so he quickly became an organizer of full trips. His enterprise remained a force in tourism industry, in spite of numerous changes of ownership. His main rival was and is American Express – the first company which issued traveling cheques.

England is considered the country of origin for tour-operators. Here, they sell over 6000000 voyages per year, and are characterized by a strong integration degree. So, the main operator, “Thomson-Holiday” has its own plane company (“Charter Britannia Airways”), more than 6000 places in hotels and a whole network of distribution agencies: a global system! Moreover, a price decrease after the 70s allowed them to capture all consumer starts by launching privileged destinations at smaller prices: Balearic Islands, Malta and the Adriatic.

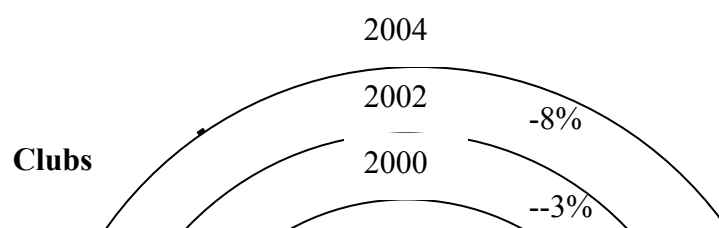
Germany is the main European market for low price voyage sales. More than 50% of these are made by two major giants: TUI and NUR. Unlike British operators, which started out as tourism societies, German operators developed either from commercial networks of great shops or banks, whether from syndicates or enterprise committees. DETOUR, by exception, has Lufthansa capitals at the back.

In Holland, Belgium, Switzerland and the Scandinavian countries, the market is characterized by a deep penetration of tour-operators. For example, almost 40% of Sweden’s tourist population makes use of them. This increased demand for low international travels imposes plane usage for sunny holidays on short term (Scandinavia) and an own offer which is well adapted to the demand (Belgium, Holland).

North American tour-operators have a forfeiting production of voyages particularly oriented towards American or Canadian destinations (70%): Florida, California, Hawaii, Canada or Puerto Rico. Actually, due to the geography and the increased number of *leisure* facilities, America is a particular case in the tourism industry, because it satisfies most of its demand internally.

The production of forfeiting voyages in Japan developed only at the end of the 60s, and this because of the low number of holiday days which the population had, and due to a low intensity of external voyages. This was also due to different traditions and time needed to assimilate American techniques, after which it knew a real explosion, becoming an industry of economic espionage, the Japanese tourist, with his camera tied around his neck, became a symbol. Moreover, the trip, due to the Japanese paternalist system, is some form of a prize.

The last few years have brought forth major changes to tourism intermediaries. A recent study for a multinational corporation on the European market shows that the structure of the distribution, at least for Western Europe, has changed, and the tendency is more and more accentuated.





### 3.8.5 Labor force

It is obvious that the labor force is essential to tourism. We give the example of the guide: hundreds of people from various places where the tourist travels can work very hard give their best effort, yet the guide, who has the microphone in his hand and the tourists' time, can ruin everything, or, on the contrary, may create a timeless memory. Many times, the phrase "wolf in sheep's clothing" is true in tourism. A small negligence, especially now, in this age of tourism, deletes the effort of all those involved. But tourism is an activity with a pronounced seasonal character, and, as we all know, poorly paid.

Problems need to be solved ever since the personnel are prepared. Here is the needed labor force and the forming offer on professional categories in Brazil, a similar situation with all developing countries:

Demand		Offer	
Professional categories according to number	%	Classes offered on professional categories	%
Execution personnel	63	Entrepreneurs	86
Administrative personnel	8	Personnel with medium or high studies	57
Medium and superior personnel by qualification	7	Specialized personnel	43
Maintenance personnel	6	Execution personnel	29
Specialized technical personnel	5	Maintenance personnel	14
Level of studies required		Required level of studies	
Secondary	12	Superior	8
Primary	50	Secondary	68
Elementary	25	Primary	24
No studies required	27		

(travel agency: secondary)	70	
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Source: Instituto de Hospitalidade: Demanda por capacicao profissional no sector de turismo - Salvador 2000

This situation leads to the need of forming employees on employment or as time moves on:

Formation type	% beneficiary employees
Pre-employment preparation	82
Technical formation	14
Formation concerning labor protection and health	64
Formation for client services	18
Formation other than job-bound	9
Formation for personnel	9
Other classes	18

Source: IHARA: Training and employee development in the hotel sector in UK, 2000

Tourism personnel must accept labor flexibility: basically, in more and smaller size hotels the same people are receptionists as well as waiters and they also do other connected activities. Multi-qualification is essential to overcome seasonal periods, seasonal meaning the fact that some jobs are less required from time to time. Usually, employees must be familiarized with all modern methods of management, with equipment and software which is employed: many times, a diploma is not the deciding factor, rather the certificate which makes him able to use certain technologies. Tourism jobs bring several advantages which are not negligible: a pleasant environment, meals are usually assured, protective clothing, continuous perfection.

This is why the concept of career organizing was achieved. New technologies brought forth new professions, but moreover grouped them under the same roof: hotel chains opened tourism agencies, car rentals, casinos, stock sales, health services, etc. all of the above using information technology. Economic knowledge, although integrated in system software, remain a means for promotion, allowing for an optimization of the decision. Continuous preparation is required, as well as learning new skills. Theory says that large hotel chains have a tendency to invest in the careers of their employees. Classes are compulsory in order to understand, but also to better impregnate the philosophy of a respective group. This is why a *brand* changing basically means a new qualification. Perhaps the most important requirement of modern tourism is linguistic polyvalence. A receptionist, a guide, basically an employee in contact with tourism must know around 4-5 languages to be employed. Even a housekeeping lady must have minimum knowledge in several languages. Formation is thus a reality, for those who want to resist.

The educational system in developed countries has completely changed in the last 10-15 years. If, in Europe (the USA has a different system, according to its quality standards) there were 2-3 acknowledged tourism faculties, which provided required management and 4-5 superior schools which were assuring the required middle management positions (hotel manager, restaurant manager, fun park manager, etc.) the rest of the personnel was formed in professional schools. Now we are witnessing an educational integration. More and more formation institutes have a larger and larger number of students at professional studies (usually after completing compulsory education) – apprenticing basically disappeared – from where students are being recruited for middle management or **top management** (the BAC +2 or 3 system), for the latter, another stage being compulsory: croupier, oenologist, diet specialist, IT specialist, ticketing agent, etc. to obtain the required authorization certificate in order to practice. This is also the place where from most of the students for advanced studies are being recruited. It is remarkable that the number of tourism faculties is on the decrease, and that their graduates are forced to specialize in certain fields: *hospitality, leisure, tourist destination management, park organization, event management, etc.* Moreover, distance education is widespread, for jobs that allow this. One must underline the fact that there are jobs which require a big investment (like chef), where the cost of raw materials, practice time, etc. or maitre d’hotel, etc. Anyway, the practical exam is the sine qua non requisite.

Free labor traveling (in the limits of established contingents) means not only recognition of diplomas but also their equivalence. Educational programs begin to be uniform. The same thing can not be said about developing countries, where, as is the case of Romania, large funds are being allocated, as compared to their economic force for preparing a capable labor force, which is usually incompatible with international requirements, graduates often accepting inferior jobs which are lower paid. Furthermore, there is a major lack in equilibrium between formation and market demand, high costs, usually supported for the fashion and pride of attending certain studies, without informing themselves of real perspectives. Precisely to use this reserve, international structures have introduced distance education in order to obtain authorization certificates, which are organized and paid for separately, through long distance classes guaranteed by their issuers. Today we are used to meet personnel from all over the world in tourism agencies. **But in great hotel chains, national identity vanishes in stead values promoted are those of chain philosophy.** They also impose, by example and standards, in smaller units.

In Romania, the Formation Center in Park Complex Bucharest has been equipped for excellence and very well organized, with a high level of preparation during the 60s and 70s, and it remained that way.

Actually, this can be illustrated by Romanian cooking, which uses a lot of meat, manufactured with a relative uniform array throughout the country, in opposition to elaborate cooking, with reduced raw materials, but of high quality and especially including a lot of labor, which leads to high prices and even higher profits.

Standards and rules regarding necessary knowledge of personnel are imposed by the great enterprises which also use most of the personnel, as we have seen in the case of hotels, restaurants and coffee shops in Europe.

### **3.8.6 Information and communication technology**

IT reservation systems have been solved in the 70s for aerial transports. Each aerial company has its own reservation system which is however connected to the world distribution system. Basically, to protect the company, only tapes for entry and exit data can enter. As long as these were accessible only to tourism agencies agreed upon by the system, it stayed simple. Once internet sales increased and were elaborated by special distributors, connected to the Intranet of global distribution, with an interface for public access. There is a large variety; competition is stiff in this field. The system extended to hotels, car rentals, cruises, products offered by travel agencies. Today, the complex IT system of reservations / a world distribution system are the spine of tourism, being the main link between huge groups of suppliers and their travel agencies. These mainly ensure: a management of flight programs and lodging installations, information about other travel products and their availability, car rentals and railway reservations, reservations and sales, ticketing, information management for users, management installations regarding tariffs and voyage terms, management functions.

Distribution systems at a global level are dominated by American and European companies: Galileo International and United Airlines, British Airways, Alitalia, KLM and Olympic Airways, Sable by American Airlines, Worldspan by Delta, TWA and Northwest, Abacus / Amadeus One by Air France, Lufthansa, Iberia and SAS. An important aspect in tourism communication is ensuring access to global distribution systems. Access is not always favorable, costs are often high, small actors are unable to cover them. Large areas of Africa and South East Asia are lacking. Moreover, the infrastructure of developing countries is mediocre: old telephone lines, which don't perform anymore, the lack of satellite coverage, telecommunication, etc. Also labor force resources are limited as well. In Romanian, in 1992, persons authorized to have access

to such systems could be counted on the fingers of one hand. Even now, there is a shortage of authorized personnel, especially in the provinces, after 10 years of financial efforts, including effort by the ANAT (National Association of Tourism Agencies).

At the same time Internet systems for great chains function. These systems assure on one hand the internal management, at the same level in all units of the group, and on the other hand, communication within the group. Communication interfaces of tourism agencies are specially organized, and more recently with client communication interfaces. A novelty are internet distributors which manage to become concentrators and to offer preferential prices but also detailed information regarding offered services, access, local tourism offers, etc.

As a consequence, more and more clients avoid classical tourism agencies and are addressing directly through internet organized interfaces. Moreover, aerial companies, especially lately, being pressed by a decrease in costs, have diminished their commissions to the point of canceling them, those granted to resellers, organizing their own Internet interfaces. Even clients wish to eliminate intermediaries and to keep them on only when their high specialization would imply high costs which can not be ignored, like in business tourism.

Developing countries are obviously inferior. But lots of tourism agencies from developed countries as well. This will lead to a restructuring and further organization of the tourism activity, because without intermediaries, tourism would collapse. A client buys services 6 months ahead, and at the settled date, settled place, he finds the required personnel. Still, globalization takes the lion's share, small and medium enterprises supporting and paying a hard price to keep alive and through this to maintain the continuity of tourism activity. Great actors transfer part of their costs on small enterprises, being forced to accept their prices and terms.

### **3.9 International rules and transnational organizations**

But lobby best manifests itself within international organizations and transnational structures.

As we showed before, tourism has known a strong development especially after the Second World War. Until then, tourism, and more especially international tourism had very shy methods of expression, taking into account that there were no international tourism organization to create a leveling or a compatibility of traits practiced by each country. Only when these organizations begin to act, their role in the development of tourism is undeniable. As a consequence of this fact there is the phenomenon of development on a regional, and then international basis, of enterprises and tourism agencies which had very solid positions on the national markets of their own countries. They began by opening subsidiaries in countries with which tourism connections have been stronger, or, where the desire was harder to achieve, either collaboration with a local agency was used, after that being swallowed or included into a larger company. Ergo the creations of giants like Neckerman, TUI, and Club Mediterannee. These are not private companies, by the meaning of private in eastern countries: private = known patron, particular. On the contrary, these societies manipulate transnational capitals, which already depend on a multinational area. Even if they are in individual propriety, these capitals have a public character, ergo these societies are not like in the infancy stages of the market economy, and rather they guide themselves by other rules, rules of a global economy. One of the few clues regarding TUI's German heritage is, for example, the fact that they edit their catalogs in German. All this included, there is no area which has a tourist potential which is not included in its destinations and programs. Offer for any kind of tourism products and services can be found here, from lodging and means to annex services. By combining them any potential tourist can make his own vacation, without needing the support of a

person who works in the field. By the way in which holidays are presented and through the quality of offered services, there is a certain acknowledged standard by all company customers, as they are able to increase the area from which they gather clients. The immediate consequence of this fact was an increase of the area through which services were offered, this being realized with the help of local agencies, ergo huge capital being created. Enterprises of such sort are many times those who stand at the basis of the constant flow of business for smaller tourism agencies, recently appeared on the market, for which it's very hard, even unprofitable to organize their own programs, meaning that they can buy already created ones.

In the tourism field, as in other sectors of economic activity, be it scientific or social there are two categories of international organizations: inter-government organizations and non-government organizations. In each of the two there are certain organizations which have general competency (as is the WTO – World Tourism Organization), whereas other organizations have become specialized in areas of the tourism activity, as is the case for the International Social Tourism Bureau. As well as that, for some organizations, tourism does not represent but one of the fields in which they exercise their attributes, which actually refer to other areas of activity: The International Civil Aviation Organization, which has a committee charged with solving aerial transport issues, and the World Bank finances, through a special department, investments made in the tourism sector.

**3.9.1 World Tourism Organization** – is the only inter-government organization in the world which exercises general tourist attributes at a global level. At the end of the war, one of the pillars for post-war economy have been set (UN, IMF, World Bank, GATT which became the WTO), tourism could not be excluded from the array of power. Thus the WTO was created, as a means for expressing world power, as we will reveal shortly. Within, there are 200 affiliated members (national and international non-government organisms) together with U.N. member states. In 1975, the UIOOT, International Union of Official Tourism Organisms transformed itself into an organism with a government character: WTO. This transformation took place through an original procedure, as a result of the UIOOT Extraordinary General Assembly in Mexico in 1970. The respective procedure had as a purpose the organization of continuity in the coordination of the international tourism activity. From December 2003 it becomes an U.N. specialized organism.

According to article no. 3 of the WTO status, the fundamental objective of this organization is to “promote and develop tourism, to contribute to economic development, international understanding, peace and prosperity, as well as to universal respect and a correct application of rights and freedoms of men without differences of sex, race, language or religion”. The WTO includes 4 categories of members:

- Ordinary members, meaning states which ratified the constitution status or which adhered to it, meaning 141;
- 7 associated members: three territories – Aruba, the Flemish community of Belgium, Madeira, the Dutch Antilles, Puerto Rico and Macao;
- two permanent watchers: Vatican and Palestine
- Affiliated members, which are international government organizations and national public or private organizations, which exercise an important influence in national and international tourism. There are also major airlines companies affiliated, agencies, travel organizations, centers and institutes for tourism research, hotel and restaurant chains, and formation centers. Members pay an annual contribution for the WTO and are invited to take part in various sessions by organisms of the WTO. Over 350 in number, they are united in the Committee for Affiliated Members. Unfortunately Romania is missing again. This situation is unexplainable: companies or academic structures from smaller and poorer countries are present with several members, although they know that it is not them who decide, but at least they know the news, one day ahead. Lack of money is no excuse. The cause is lack of wisdom, or even worse...

WTO structure is formed of the General Secretariat, the General Assembly, The Executive Council, Regional Committees, The Committee of Affiliated members and different committees or specialized commissions. The General Assembly is the supreme organ of the Organization. It consists of delegates of ordinary and associated members, meaning states and affiliates. This supreme organ is in session once every two years; it adopts recommendations and the budget. Regional commissions created by the General Assembly are 6 in number and they are an advocate for the application of regulations in the respective regions according to Assembly recommendations. Also, they advocate for tourism development through WTO commissions for Africa, the Americas, South East Asia, Pacific, Europe and the Middle East.

The executive council has 20 ordinary members (but we must take into consideration the lobby of affiliated members) chosen by the General Assembly. It reunites twice a year and adopts measures needed for the execution of the resolutions of the General Assembly. The Secretariat comprises of equal numbers of representatives of all WTO states. The Secretariat HQ is in Madrid, and the general secretary is charged with the execution of directives elaborated by the General Assembly and the Executive Council. The committee of affiliated members is organized into workgroups such as: youth tourism, consumers, tourist investments, tourism and labor force, tourism and health, tourism and IT, so more on the lucrative side.

WTO activities are numerous and diverse. They cover up the entire field of internal and international tourism. Here are the most important activities:

- The elaboration of studies and statistics: mainly in 7 areas: world tourism evolution, tourist markets, equipment and tourist enterprises, tourism planning and management, economic and financial analysis, sociological effects of tourism activity, tourism representation abroad. Statistics, both global and regional, are the object of regular publications. Information tied to the tourism sector is enclosed in different publications, of which the most important is the “World Tourism” magazine, as well as “information letters” addressed to national tourism organizations. By organizing “work-shops” on project financing one accomplishes the formation and commercialization of tourist products for the use of the members of institutions who are insufficiently developed. At the same time, the WTO collaborates with the World Labor Organization and with the U.N. program for the Environment, by organizing reunions and seminars connected to the formation of personnel to activate in the tourism sector. The same purposes lead to the creation of the CIEST (International Center for Superior Tourism Studies) in 1965, which was taken over by the WTO in 1975.
- Technical assistance: the WTO grants technical assistance to developing countries, whether directly through its own budget, or by delegations of the PUND (United Nations Development Program), with help provided by its financial resources. At the beginning of the 7<sup>th</sup> decade, Romania had two such programs: one for the creation and organization of the Center for the Formation and Perfection of Tourism Staff (the Park-Tourist-Flora complex) and one for the equipments of the Statistics Office (a UNIVAQ computer among others, one of the most powerful at that time in the world);
- Consulting and resolutions: the WTO encourages international consulting within different sessions, including regional commissions, bringing forth program drafts or specific actions. In exercising their competence, WTO organisms adopt resolutions. The most important such documents were the Manila Charter (1980) and the Hague Declaration (1989). Since 2003, the cooperation with the WTO (World Trade Organization) becomes constant, aimed at the diminishing of regulations and the cancellation of barriers faced by international tourism.

In a series of regions states create international institutions with tourism competency, with the purpose of developing international tourism with other organizations or among themselves. We thus know the Indian Ocean Tourism Alliance, the Organization for the Development of African Tourism, etc.

All of these make globalization present towards the power of decision factors within the organization, where states participate “democratically”, according to their importance in the

tourism industry. And decisions clear the way for the expansion of global tourist structures. For the population of Bangladesh or Nigeria, WTO actions are inapplicable, these populations having no purchasing power for such products.

Although the WTO system is not optimal, it still allows smaller states to put pressure. Global structures must move quickly in an accelerating world. They need simple decision making systems for interventions, for protecting their interests. Ergo, a large structure was created, one of immense financial power, with huge lobby power and which consists of specialists:

**3.9.2 WTTC – World Travel and Tourism Council** - it has 100 members of the most famous tourism companies. It is the only structure which represents the private sector in all its diversity. Its mission is to ensure interest for economic growth and social development, to co-interest governments and politicians, to open up the potential of tourism industry to create jobs and to generate prosperity. WTTC has 7 strategic directions which he recommends governments:

- A vision for future traveling and tourism (T&T<sup>141</sup>) – “a future for each and everyone”
- Measuring and promoting the T&T industry
- Promoting a positive T&T image regarding the creation of jobs and career opportunities;
- The encouragement of free access, free markets, open skies and the cancellation of growth barriers;
- To help equilibrate the infrastructure of at demand level
- To help facilitate access to capital resources and advanced technologies
- To promote responsibility in conserving the national, cultural and economic environment;

WTTC activity has three main axes:

- Global activities: bringing solutions into discussion which affect T&T activities everywhere in the world
- Workgroups: teams of specialists from the private sector which launch challenges and opportunities in field like human resources, infrastructure, taxes and IT commerce
- Initiatives and regional programs: puts into practice its potential not only in leading economies but also in countries or regions which have a high potential but which don't have means and required resources to put them into value.

WTTC concept: “Let us show you a vision about a world where T&T brings profit to each individual, bringing a positive contribution, to sustainable growth and prosperity, understanding and wellbeing among people, shared by all who travel and by communities which they visit and their natural resources, as well as social and economic”.

To finish we invite you to read Annex 6 regarding WTTC members. It is Expressive. Again, unfortunately, Romania is missing.

### **3.9.3 Commercial and professional structures in the international tourism world**

These groups' professional international organisms, both social and scientific, built in different states. These organizations have as purpose the encouragement of exchanges among specialists of different countries, of elaborating data and studies which can be the basis for decisions made by public authorities. At the same time, the purpose of these organizations is to represent different professions within international government organizations. Furthermore, these are global structures where decisions regarding interest harmonization are made, which can correspond to the policy of large international tourism companies and their members.

The main organizations in this category are:

1. World Association of Travel Agencies (WATA);
2. International Association of Aerial Transport (IATA);

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141 T & T : short for Travel and Tourism

3. International Hoteliers Association (IHA);
  4. American Society for Tourism Agencies (ASTA);
  5. The Universal Federation of Trade Agencies Associations (FUAAV);
  6. The International Council for Travel Agencies (ICTA);
  7. The International Association of Tourism Circuits (ISTA);
- Etc.

These all have international character, their status being respected by all members, many times even in front of local laws.

These are why we believe that it is needed to make a more detailed presentation of several of these associations, of the role which they play and their attributes, in order to illustrate globalizing values.

#### *World Association of Travel Agencies (WATA)*

The WATA is a non – profit organization created by independent tourism agencies for the wellbeing of all tourism agents in the world. It helps recognized agencies on local plans to gain the same recognition at an international level.

Ever since 1949, since it was founded, WATA became a respected name in the tourism industry worldwide. With over 200 members from over 180 cities across the globe, WATA created a real network of tourism agencies, which rejoice in unique privileges.

The ideas which lead to the creation of WATA is that of including new members (preferably private enterprises) in this network, so that each member could have the advantage for affiliation to this international colossus, at the same time with maintaining a local market supremacy. The WATA status grants that each member is able to successfully compete with any larger corporation. The adhesion through this status, on one hand, and the respect of the status by the members, on the other, have led to a fantastic reputation of the association.

WATA is registered as an association under Swiss law. By status, the association and its members are asked to assist each other in their actions. The association has a permanent secretariat which has the location in Geneva and which must fulfill administrative needs. The headquarters ensure assistance, information and other services to the members of the association.

The WATA membership offers several advantages:

- a) A guaranteed payment of IHA<sup>142</sup> bills: the association guarantees the payment of all bills for services from a IHA member to a WATA member, up to an amount of cash established from case to case, as compared to the credibility and the status that the respective agency has in the association. In exchange, IHA asked its members to accept vouchers emitted by WATA members for their clients, so that these can be paid after the tourist left.
- b) Internal warranty: in certain conditions, some services presented by a WATA member to another member, will be paid upon from the warranty fund;
- c) WATA vouchers: any voucher which has the WATA logo or any reference to the IHA / WATA accord, or vouchers printed by WATA with the name of the issuing agency, is fully accepted, without reserves, anywhere in the world. In most cases, hotels which accept them are willing to cash the full value of the services, after the client's departure, without demanding a fore payment.
- d) A list of the members and special cards: a small brochure containing all WATA members and their address can be at the disposal of clients which depart for a voyage, if they are going to need assistance and special services during this trip. For more important clients, special cards can be issued.
- e) WATA Master Key: the annual book called the Master – Key is without a doubt the most important source of travel information. WATA members or non-members which receive it use it everyday; this is a huge base of information for them, which spares them of supplementary

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142 IHA – International Hotels Association



expenses and money. The yearbook has WATA member tariffs, for services to foreign tourists (for the INCOMING activity). A standard presentation of these data makes extracting information as simple as possible and accessible. Together with the tariffs, there is also a short presentation of the country from where the agency comes from, presentation given by the main tourism office from that country and it contains several information which is very useful for those who intend to visit that destination.

f) WATA memos: they announce the latest developments, so that they can be made available for clients.

g) Maximal commissions: a maximum commission of 5% is allowed between WATA members, compared to public prices from the Master-Key, for transfers, city tours, trips, car rentals, with or without drivers, which gives them the edge over the competition.

All these advantages are similar to those given by globalization, uniform rules, which are strictly respected by the members for maximum profit.

Members, who have full rights, usually travel agencies with a solid financial structure and outstanding professional ethics. All WATA members have the same rights, privileges and obligations. To maintain a percentage of exclusive, in all cities below 1.000.000 inhabitants there can be only one WATA member specialized on each of the services mentioned. If the number of inhabitants is bigger, for each 1.000.000 inhabitants (fraction of a million) there can be only one WATA tourism member.

Affiliated members are a category opened to hotels, airlines, shipping lines and car rental companies. Their purpose is to develop established relations among WATA members and their partners.

Here are a few tasks of a WATA member, eloquent for the way they globally act:

- *it must respect the ethics and conduit code imposed by the association*
- *it must support the development of the association through its actions*
- *collaboration among members must be an active one, a constructive collaboration, a priority compared to non-member obligations*
- *members must take part in general and regional assemblies*

### *International Air Transport Association (IATA)*

The IATA was created in 1919, at the initiative of 6 airlines to found an organization of air transport with the purpose of developing collaboration between transporters by air. Now, the organization has over 200 members, worldwide, who are either active or affiliated ones.

The idea which started IATA was the unification “of languages” spoken in international civil aviation. It is hard to imagine what would have happened if the association would not have been created: each aerial company would have had different safety regulations, different communication methods, and maybe even different languages. Otherwise, it would have been hard, if not impossible, to realize an international cooperation regarding over-border flights. The realization of such standardization brought what they were seeking – and managed to obtain – the six initial companies which set the base for IATA: the used language is English; all pilots and traffic controllers give and receive instructions in English. There is also standardization in documentation, rules which govern the calculation price and the ticket issuing, learned by personnel from all over the world.

The IATA has the needed instruments to determine air companies to work together in several fields, such as flight safety (finding new solutions above the resources of a single company); environment (noise and gas emissions); safety (passenger protection); juridical (regarding legal responsibilities and legal relations of aerial transporters towards their clients); financial and accounting (a simplification of the accounting process, taking taxes into account, insurance and the multitude of operating currencies).

IATA has three main headquarters: Geneva – for problems regarding Europe, Africa and the Middle East; Montreal takes care of North and South America; and Singapore, which takes care of Asia, Australia and the Far East. At the same time, these three major traffic areas are divided into sub-areas. The date separation line gives the demarcation between the first and the third areas. The three areas also mean three levels of tariffs adjusted to the purchasing power of those areas, and then detailed on countries.

In order to make communication easier IATA members throughout the world – and not only them – have standardized many of the booking and payment procedures. All these rules are to be found in the IATA ABC – Airways Guide, a guide edited by IATA in which flight schedules appear. Another manual edited by the IATA is the APT – Air Products Tariffs which includes tariffs which occur in international civil aviation and their means of calculation.

The two are just a few of the manuals IATA edits, but which are destined to lead to an end what the six companies intended in the beginning: better communication. They are completed by a series of other rules and regulations whose presentation would take a very long time and which are not the object of this book.

Add this to those said when we have been talking about the role of aviation transport in the development of tourism, as a global activity.

### *International Hotel Association (IHA)*

The IHA has its headquarters in Paris and was founded on March 18<sup>th</sup>, 1946, in London.

The purposes of the association can be summed up like this:

- a) to help develop and profit through industry quality hotels all over the world
- b) to represent the opinions of its members, to promote their interest through an effective and permanent lobby in all government organisms, both international and regional
- c) to organize seminars and professional meetings for representatives of the world hotel industry
- d) to facilitate communication within the branch and to supply information to its members

The IHA meets the interests of national associations, of national and international hotels, both independent or not, formation institutes for human resources involved in the hospitality industry, equipment suppliers, installations, machines, products and services for the hotel industry of 145 states.

The Romanian Hotels Association is an IHA member since 1991. As was the case for other members, whether they are hotels, tourism agencies or national hotels association, the AHR is submitted to the rules of the International Hotel Rules, which was adopted by the IHA Council on November 2<sup>nd</sup> 1981 in Katmandu, Nepal. This document is supposed to codify international professional usages which are generally known to govern the hotel contract. It is destined to complete existent dispositions in national legislations regarding contract clauses and is applied when the mentioned legislation does not include express dispositions regarding the hotel contract.

### *The American Society of Travel Agents (ASTA)*

The American Society of Travel Agents is the largest of its kind, and is located in New York. There are 24 departments activating within it, each with its own management. The total number of members is 12000, of which 3600 are travel agents. In the affiliated members we find aerial lines, naval companies, railroad companies, companies which hold coaches, specialized companies in car renting, hotels and government tourist office. It was founded in 1936 under the name of American Steamship Travel Association, and organized throughout time various travel themed conferences, collaborating with various government agencies in the field.

We may conclude that in the tourism activity we find that the globalization phenomenon is guided and lead by international structures, some of which are states themselves (but which

include civilians as well), both directly and through the influence which they have in leadership organisms modern technocrats.

### 3.10 Technocrats

In 1932, long before globalization<sup>143</sup> was a known process, the first Skal club was founded in Europe – the club of tourism CEOs – chief executive officers. Today it has over 25000 members, in 83 countries, organized in 523 clubs. Which is the main activity? The monthly breakfast meeting: “to socialize”<sup>144</sup>. Technocrats from different sectors are found here: hotels, aviation, restaurants, agencies, etc. to come together and exchange impressions. Most of them are modern and nomadic technocrats; graduates of several prestigious and specialized schools, they adopt the philosophy of a transnational group and are sent by headquarters throughout the world. They are formed in the philosophy of the respective group: “What is Skal International? Skal is a professional organization of tourism executives throughout the world which promote global tourism and friendship. It is the only international group which unites all branches of tourism and travel”. Its members, executives in the industry, meet at a local, national, regional and international level to talk, follow, and continue problems of common interest”<sup>145</sup>. Rare are the cases of transfers from one company to another. Whereas the Skal club gives them the possibility to meet the competition and exchange opinions in an informal way, as well as the chance to have an excellent lunch, in a pleasant company. Their philosophy is the continuous expansion of their company: otherwise they will be walking around in a peripheral or lower paid area. The common interest gives them the same purpose in life: expansion, maximum profits. Otherwise they perish.

Essentially, technocrats from a leading transnational company, not only from tourism, usually with thousands of employees, maximum profit is not paramount. Rather, that level of profit which ensures the maximum fidelity of their stock holders. Because they pay a dividend which is larger than the banking interest, while the shares holders, individually weak and divided do not object to the high level of life which managers ensure for themselves: large wages, spectacular life & working conditions. The main objective of the technocrat is to maintain in the group, and, if possible, to open a unit which, basically, he can be the workplace of a member of his own family. Whereas, the first global structures which appeared in tourism were a model of experience as well as prediction.

Bucharest’s Skal club appeared once foreign managers appeared (1999). A few Romanians have been included, after a large effort, given the pretty high quota, even for a Romanian patron. Whereas the world moves through people. And decisions in global structures are made by these new spiritual leaders of Americanism. A possible biography of a Romanian technocrat of our economy might be the next: “he was an example of the ascension and of a career in the *leisure* industry, starting out as a chef, then as a waiter, then as a hall chief, receptionist, managing director at the ..... Hotel, manager at the tourist resort and in the last four years he was an executive manager at the ..... Consulting Group”, a leader on the Romanian market. He was acknowledged as a leisure expert by the T&T Foundation in the USA. He is a SITE member, chief and vice-president of the Eastern Europe FUUAV section and of course a member of Skal Romania”. Is that enough? Yes, but only those in Annex 6 decide, while the Romanians are not even participating!

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143 In 1942 professors Hunziker and Krapf in their “Grundriss der Allgemeinen Fremdenverkehrslehre” proclaimed tourism as a global, multi-disciplinary activity (our underlining) – long before the phenomenon would become known by the great mass, even by initiated.

144 To socialize has no equivalent in Romanian: in English it designates the action of associating yourself in being sociable to others, of the same rank but also living your life in the company of others

145 Skal New – no. 210 June 2001

### 3.11 Tourism as mass-media<sup>146</sup>

Perhaps the most surprising conclusion of a careful analysis of the contemporary tourist activity that tourism is a means of mass-media. From the globalization point of view we can see that it not only uses modern means of the mass-media, but is, in itself, a very strong one which acts in the usage of those who obtain direct profits from this activity: interest groups, politicians, etc.

#### 3.11.1 Imposed determinations from "tourism" definition

We have seen that several definitions have been used for the term "tourism" throughout time, but which changed contents. The multitude of definitions used reveal the fact that one must consider "tourism" as being any voyage, made by anybody, in any purpose, including: emigration, immigration, selling of goods, foreign students, etc. see also chapter 1.6 Semantics and contents statements

This is why we felt he need to mention that the full length of "tourism", as we will use it below, in its broader sense, because the main attribute of tourism is movement, unrelenting contact with a new space, a new "reality", different from that of one's own home.

#### 3.11.2 What do we understand by "mass-media".

According to the purpose of the media (means of mass information), it has several definitions. But most of them include attributes of:

- omnipresence and public: we meet them everywhere, and are available at any time for anybody
- rhythm and periodicity in appearance
- largely spread, universal, their message being complex and vast
- penetration power, they are addressed to everybody, to the masses, they simplify the distribution of information
- instant and actual communication
- accessibility

Mass-media facilitates:

- information access
- cultural, educational and instructional access
- typical and social intercommunication
- "compensation" trough entertainment and fun

#### 3.11.3 Tourism as mass-media:

Starting with the 60s, tourism became a mass movement. By making a comparison with the media we will see that it has all of its attributes: we find a place where the message is being elaborated (information), which are then, distributed trough specific channels which chase the same goals. Furthermore, tourism, like the media (means of mass information) allows "the target" to verify received information trough direct contact with reality, during the trip itself (some sort of "feed back") which allows for a high degree of credibility.

The phenomenon is similar in all three aspects of tourism: incoming, outgoing and domestic. We can thus conclude that tourism is a means of mass communication (media). Annex 1

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<sup>146</sup> see also Rotariu I, Tileaga C., Serbu R., *Tourism as mass media: a possible option to appraise the European tourist offer on the 21st century* la ITB-Tourism Studies Center 2002, and Rotariu I., *Tourism as mass media - a tool which can leads from weekends to seven earning days*, ATLAS conference – Visions of Sustainability, Estoril 2003

allows us to see the magnitude of the phenomenon. In developed countries, it involves scores of people, more than in the newspaper industry, the radio listeners or TV watchers. Its participation however expands to the inhabitants of the destination areas as well, with which tourists come into direct or indirect contact.

This allows me to say: “the child is used to summer holidays from a young age. Then, from desire, thanks to brochures, we create the image, the illusion of happiness until the holiday itself. We sell them their own memories. We are gifted with the strongest means of conviction that would have satisfied even Thomas the Apostle. This is the consequence of the fact that we are always in immediate contact with life and reality, but reality...as we offer it”<sup>147</sup>.

Concerning tourism there have been a lot of talks about tourism as business, about the tourism industry being able to become a development factor. The role of tourism as a social factor was neglected, as a result of the pact, the social contract. Today’s western European worker will not give up his life standard easily, his holiday abroad. And we do not believe that TUI, Accor or Thomas Cook act on as any other small, competing agency on the market. Capital concentration on transnational markets forces the state to become a partner of the private sector.

But tourism is also a means of mass dispersion (mass - media). It is the strongest both by coverage area as well as by force: it is governed by the principle of Thomas the Apostle: let me feel it and I will believe”. It’s hard to convince wieners after you have eaten their swans<sup>148</sup>! The same goes for Romanians after you’ve turned down their visa! This force is ignored because it does not produce cash immediately; the sacrifice of the future is preferred, for today. The power for awakening the sense of history and belief in values is lacking. But this is used by all developed countries, especially in crisis situations like the one set off by the new degree of terrorism.

1.1 Classical tourism as mass-media: there are two criteria which are considered to allow the participation of tourism (in its classical sense): available money and spare time. This is why I must point out the following:

1.1.1 Tourism is a media (means of communication) of consequence: there are very few direct means of communications used by the tourism industry. Information appears especially as a consequence of the activity of the whole area / community in political, social, economic, cultural life, etc. “Outgoings” of the tourism system are directed mainly towards:

- The image of the tourist destination
- The communication process between the tourism enterprise and the market
- The quality of the “direct contact” with reality (feedback)

1.1.2 Tourism is a media (means of communication) because it allows for:

- Transmission of information in order to obtain pre-established results
- Putting into contact and influencing “target” ideas regarding a certain culture/society – in order to maintain a certain standard of life as a result of a long term social contract (The Marshall plan included holidays and the promise that it is hard to imagine that it can be excluded from the standard of the German citizen, for example)

1.2 “Informal” tourism as mass - media: people who have neither money nor do they have spare time are traveling, especially in the last few years, when these movements gained a mass aspect. As examples, here are the following:

- Illegal emigration: any illegal emigrant follows a certain path to reach “the promised land”. And information is used correctly and with effect! How can they get it? How is this world of the “underground” tourism being organized? Who has the know how? A correct analysis can not prove who uses clandestine emigration more: the emigrant or the citizens of the country of destination?

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147 Rotariu I. – speech at the WATA General Assembly - Bled 1994

148 a regrettable incident in 1990 – 1991 when Romanian gypsies in Vienna, caught and ate free swans on the lakes of the city, the same as they did with wild geese in their villages of origin

- Legal emigration: relatives pay for trips one way or another, etc- movements caused by local crisis: cases like the Eastern countries, Hong Kong, Africa, Israel (the last one as an exception which keeps tourism up and running in spite of all known crisis<sup>149</sup>) etc.

“The tip of the iceberg” is statistically represented in Annex 25. Immigrants have had the tourist status for a long time; wither because of the tourist visa, either because of the type of traveling outside the usual residence, for another purpose than passing spare time, but belonging to the formal topics of the tourist definition. And their “voyage” was a very precise one, as organized as a tourist voyage. Let us add illegal immigrants and we will begin to approximate the submersible side of the colossus. Actually, all countries which adhered to the E.U. in subsequent waves had a large number of clandestine emigrants, whereas the closer the adherence moment got, the larger number of labor laws were emitted, including statistically trough special visas.<sup>150</sup>

1.3 How does tourism use the media differently than other means of communication: information revolution already allows for:

- Rich people, especially businessmen to “travel” on the information highways of global communications. For them, it does not even matter if they are at the office or on the beach anymore. In such situations, the “tourist” stays at home, whereas the information and its image travel, the place of which it speaks

- As information networks to exchange the so called classical tourism system: the choice of a destination, the booking and organization of a service package will require a simple connection of the computer to the network.

We may conclude that “tourism”, whether in the “classical”, or the “large” meaning that we propose is a very powerful means of information transfer about the “ethnos”, about races, peoples, history, their present and future trough direct contact, ergo of unlimited benefits. Involving a large number of people, having the mass character, this distribution channel becomes a powerful mass-media tool with persuasion power. Tourism manipulation was difficult, costly, but extremely efficient. It was simpler during the cold war, now it is far more complex.

We have begun studying tourism from a new point of view: as a means of mass communication (mass media). The field is, as a simple incision revealed, gigantic and we have no theoretical research in this field. But tourism history after the Second World War reveals that there have been such guidelines in the history of many countries. The collapse of “the wall” and the last few years reveal the need of a theoretical system and of an international practice regarding the use of this means. In creating or destroying social movements through persuasion, self-suggestion and stimulation trough tourism. In the conscious use of tourism as a means of mass communication (mass-media).

### **3.11.4 Major mutations, both present and predictable in the near future. Tourism on the horizon of the 21<sup>st</sup> century**

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149 After the war in Iraq, Zionist movements in the USA launched the “I care, I go!” campaign, trough which free trips are offered to Israel. The Mayor of New York was among the travelers.

150 This phenomenon is the same for Romania as well. Officials estimate around 900.000 workers, both legal or not, in Israel. In EU countries, once the legal boundaries have been set, the exodus appears to have stopped. Unfortunately, the evil caused by the image of gypsies will not be erased for a long period of time. The aggressive begging, thievery could be quickly stopped by presenting, at the expense of the Romanian state, of gypsy palaces built from public mercy and by applying western principles to a minority incapable of understanding them. Furthermore, even for palaces built from “honest labor, the selling of iron (!?)”, it would have been compulsory to check the way the iron was obtained as well as the accomplice which helped collect and sell it. At the same time, legal situations had to be clearly marked, in order to condemn not the entire race, rather the individuals whose deeds have a negative impact on the entire populace. Whereas the size of the phenomenon has all the characteristics of a mass media event, which is extremely accurate, as one can observe.

On the horizon of the years 2004 – 2005, the duration of a transpacific voyage will shorten. Furthermore, the Pacific area from the USA, Canada, all the way to China, Korea, Thailand, etc. will have even more millionaires (a few tenths of millions) which will require traveling. Western Europe prepares to adapt to their expectations. For example: the Kompas company in Yugoslavia<sup>151</sup>, which, in spite of the war, remained intact in the republics of the former country and opened over 15 offices abroad, carrying Canadians to Italy and Czechs to the US, and began investments for the opening of its first Asian offices in order to collect information, offer transfers, tourist attraction.

Integration is not an option: it is survival for all of us and for West Europeans. Even if we were to incline towards Americans or Asians, the signals for the division of power (which came by relaxing the degree of American and Asian involvement), but mostly the belonging unites us.

Where is Romania in this tough competition?

In a global world you must live at a global level. And integration is impossible without learning the rules of international tourism, without learning and respecting the conduit code. Especially one cannot ignore that tourism effects concern the future. The sensations of the present are subliminal, memories become past: past which will determine future actions. Tourism is not only a school for the others; rather it determines how we will live with others, what our attitude will be. Our world, the world created by tourism producers is a global one, with only one race: the human race. Presented in its specificity, element by element for diversity. With past, present and hope. Any mistake can lead to incurable practices. And this rationed to a large mass of people called “tourists”.

### **3.11.5 Tourism as mass-media; possible contributions in establishing European strategies at the horizon of the 21st century – a possible redefining of actual values, a possible definition of tomorrow’s values**

To what purposes can tourism be used as a mass-media means?

- In the tourism activity:
  - To obtain more cash from incoming, outgoing or domestic activities
  - To develop certain areas, activities or production means
  - To raise the standard of living and/or to reduce costs by: developing spas which decreases the consumption of medical chemical products
- In the political or social fields:
  - To attract sympathy or interest
  - To offer as a compensation prize or as an outlet
  - The opposite of the situations above

### **3.12 Subterranean tourism**

The subterranean economy is a larger and larger debated theme in the last few years. Maybe due to cheapness and transport speed this makes it possible for huge amounts to be “wasted” and to create even expenses. Nicolae Craiu, in his excellent Ph.D. work “The subterranean economy and dysfunctions generated in the constitution and consumption of public incomes” – presented at the “Lucian Blaga” University estimates the loss volume for 1990 was over 100 billion lei. We do not even have a consensus regarding a definition of the subterranean economy. It is rather hard, at least from the perspective of practice. For example, as stealing is a human nature, Indians reserved a guild for thieves, Arabians punish them by cutting the sinful hand, the seventh commandment demands of the Jew or Christian believer not to steal, Zen excludes the possession of personal belongings, primitive societies go from social exclusion all the

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151 See Annex 115

way to capital punishment. How many faces of the same deed! And we add... “The illustrious pirates of her Royal British Majesty”!

Regarding the taxonomy of the subterranean economy we find the following<sup>152</sup>:

The E.U. makes a difference “between illicit (legal) undeclared actions (like the black economy – according to Eurostat), unregistered in the SNC<sup>153</sup> (household activities, voluntary activities): fraud, tax evasion, black labor, tips, etc) and “productive illicit activities (illegal) of goods and services (the production and trading of drugs, illegal weapons, etc.)”

Economic literature distinguishes between: “legal undeclared activities”: the production of clandestine enterprises, diminished reports of production in official enterprises, wages paid but undeclared or declared partially, “frauds”: fiscal fraud, black labor, labor force traffic, etc; “delinquent activities”: pimping, gambling, prostitution, corruption, bribery, drug traffic, etc.

If we were to return to the sketch regarding tourism activity presented in annex 1 we found marked, at least for the basic tourism services (HORECA) the presence of subterranean as well. In some countries tipping is forbidden. In others, the “pourboire” is compulsory, written on the menu list. It is obvious that the great speed which makes things move in modern tourism does not allow the state to tax everything and the temptation is so high, that economic agents can not restrain. Furthermore, according to one of the researchers, many times, the state is interested in promoting or tolerating such practices.<sup>154</sup> Without wanting to under evaluate the volume of subterranean activities concerning base tourism (varying from black labor, commercialization of smuggled goods and tax evasion by non declaration of incomes, etc.) we must underline that great sectors of activity, linked not only to the subterranean economy but also to the mafia, by tradition, are intimately bound to tourism as well. We only enumerate, without any comments: casinos, international tourism events (football games, Olympics, etc.), organized or non organized prostitution, clandestine transport (immigrants, undeclared tourists, etc.), consumption and traffic of drugs, money laundering, etc. We did not mention subterranean activities in the untouchable area of tourism, because these are much more refined, and harder to prove. As well as that, at the “top”, we remember “fiscal paradises”, especially those from the islands. Actually it is very hard to make a comment regarding the difference of top “corporate” actions in business tourism, and the bribe offered through free foreign trips.

Many times, it becomes a state policy. Thailand was, in the 8<sup>th</sup> decade, in a very difficult economic situation. A potential exit from the crisis was: agriculture and...sex. Today, the “Amazing Thailand” program raised tourism to a top engine of the economy. Still the Orient makes us mention the example of electronic goods or gold and gems to prices below their production costs. On the other hand, in fragile economies, even the developed ones, subterranean tourism activities are a gauge which can avoid a social explosion, by offering means of survival. Actually, many of today’s wealthy are bragging about starting to work very young.....washing dishes, carrying briefcases, etc...

And, as a final argument: in almost all countries, control organisms begin and end their activity in tourism units!

We cannot, due to lack of statistics and studies, to evaluate the value of the subterranean tourism. We believe we do not mistake when we say it is at over 50% of the volume. Anyway, it can not be ignored.

### **3.13 The need for organizing comparison compatibility through a statistical basis**

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152 after Craiu, N. - *Economia subterană și disfuncționalități generate în constituirea și consumarea veniturilor factorului public* – Ph.D. thesis Universitatea “Lucian Blaga” din Sibiu – February 2003

153 National Account System

154 Egbert, Henrich: *Trader Tourism in the transformation process - Observations on Bulgaria between 1992 and 1996*, in Stierle, Michael. Ed. *Economics of Transformation*, Berlin: Verlag fur Wissenschaft and Forschung:



Perhaps the most subtle action of globalization in tourism is the immense lobby it makes for itself. We mentioned the issue of statistics and how clean they can be. The lacking of definitions of notions such as tourist, visitor, visit, may lead to completely different results and the altering of results and conclusions.

Whereas today the entire world proclaims, with tourism giants as leaders, that it has overcome the income of the petrol industry and that it's the world's leading economic branch. As long as the world believes this, tourism can only gain from this faith: people – which had or have allocated their economies for holidays, and those who can, will invest in the tourism activity. The myth is kept and amplified. How are things in reality? Entirely different.

Even from the beginning of our analysis we are confronted with a major problem, which raises exigencies and restrictions from the perspective of globalization: the statistical system, or better said, the analysis system<sup>155</sup> of the phenomenon in Romanian tourism.

First of all, international statistics regarding tourism is scarce and still pending at best. There are two major problems: the contents of the terms and their definition. The WTO created the “International Classification of Tourism activities”, which has 5 major areas of activity: agriculture, fishing, mining, manufacturing and building which have an array of activities which we mostly consider independent. Additionally, in order to be more explicit, international statistics has a list of specific tourism products, a list of activities which are characteristic to tourism and a list of specific products of tourism reported to the consumption of the visitor. We can imagine difficulties which operators from less developed areas have in making reports. With direct repercussions on data accuracy. Different tourism organizations organized their own systems to satisfy their needs. Furthermore, we can observe that under the name tourism, there are a lot of activities included. We realize now, by studying official WTO documents, how heterogeneous the sector really is, and how unstable, how easily maneuverable. And this is not new stuff: the first tourism association was founded in Jina, near Sibiu, had the hidden purpose to avoid customs tax on salt, which tourists were derogated from. Whereas, even today, through the web of the official statistics system, grey or black tourism is sneaking easily. Maneuvering such notions requires an adequate technique, a special training. Those who are formed in special schools possess it, and they become the autocrats of global decisions, through the monopoly on knowledge which they possess. Whereas, a country such as Romania, which basically has no practice specialist, nor a theory specialist in these “subtleties”, which can be able to bring statistical data to a form which is close to reality, has no possibility for realist analysis, nor the verification of studies and especially the realism on which programs which are proposed in the field, mentioning basically the “manipulation” discretion through apparently irrefutable evidence, which can determine wrong decisions.

This situation is not new for those in the field. Numerous international reunions are meant to guide statistical labor, and conclusions. In the last few years, we notice the more direct involvement of political factors in global decisions. Crans Montana and other places have become periodical locations for meetings of top management, but protests as well. As for tourism, silence still rules: those involved are few and discreet. Mass tourism goes on constantly because of those who had been given the chance to practice it. And, still discretely, redistribute incomes and use spare time lucratively.

Still, even technocrats require real data. The WTO, along with the WTTC and the Oxford Economic Forecasting began and elaborated the so called SSR (Satellite Statistical Report) on the TSA (Tourism Satellite Accounting)<sup>156</sup>. They introduce a global conception on tourism activity

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155 we prefer the term tourism „phenomenon“ to that of tourism „activity“, due to implications of tourism, which are actually global, throughout the entire economic, social and political life of a country.

156 There is an equivalent in Romanian which translated “satellite” as satellite, forgetting that the word may also mean a subsidiary, or a utility which depends, or serves, or belongs, or is auxiliary to something. In Romanian, we also have expressions such as “a satellite neighborhood of the city”, but the meaning is not quoted by DEX. So, for accuracy, we used SSR and TSA.

starting from the statistical system employed by the UN, certified by situations found in the field. Annex 15 reveals the aggregate and Annex 14 defines the main indicators. One starts from the need of consensus between industries characteristic to tourism in order to know which is their impact on other industries, especially in estimating tourism results, as well as establishing methods to calculate the indirect effects on numerous other industries. The WTO and the OCDE adopted the TSA in 2000.

Romania adhered to international conventions regarding international tourism statistics. State organisms acquire statistical data and send them to international organisms. But the transition period, with its inherent setbacks in organization does not allow for a sufficient accuracy of the statistical information: they grey or black area which eludes cartography is often very wide. Moreover, even collected data has errors: many of those who work in tourism come from other fields of activity and have as purpose immediate gaining, without a vision of time and availability for durable work. Furthermore, the statistical system before 1989 was different from the actual one. Political command imposed it's power: for example: in the old system, data regarding international tourism was considered secret and the accent fell on terms offered to workers, and today data is abundant in revealing the privatization process, whereas nothing exists in order to reveal conditions regarding the remaking of the labor force, etc. So, the researcher or businessman can not use official data efficiently. Furthermore, statistical data before 1989 were transferred to the National Archives, while the National Statistics Institute publishes a reduced array of indicators.<sup>157</sup> For researchers, access is difficult, due to costs. Actually, a comparison between the 7<sup>th</sup> and the 9<sup>th</sup> decade illustrates the precise failure of the organization of the free market in Romania concerning tourism, considered and presented as a “chance” for Romania; or perhaps just for “transition”!?

#### Complementary sources of analysis. The involvement of their lacking

So far, there are no **studies of independent organizations**<sup>158</sup> in our country, which can be used for verifying decisions. There are several programs developing in developed countries trough an array of structures for the analysis of several domains or tourism areas. These studies allow for the verification of official statistics but also prevention on a certain phenomenon. Still, a series of studies have been created by foreigners, but most of them remain locked for the large mass of people practicing tourism. Even access to such information is limited because people simply do not know of its existence. In Sibiu, there have been 19 studies in the last few years<sup>159</sup>, concerning rural tourism by external financing or structures. From the statistical point of view, we do not know how many households are used in this activity; neither do we know financial results, both official and an estimated value for those undeclared. No to mention that we do not have, even now, an inventory of all the addresses.

Another “fault”, hopefully “transitory”, is the **relative secrecy and political manipulation**. In the last 10 years, for example, numbers regarding privatization were not made available or they varied so much from one statement to another that they can not be used by those who need it. As we will show on the analysis of the lodging basis, even official statistics are far off the reality of the field. And statements regarding the tourism reality are a thing which is included in the media show. At the same time we notice an offensive of different external circles which verify or create tourism databases regarding Romania, as we can observe from the accuracy of different auctioned programs, etc. Henrich Egbert of Germany had a communitarian funding for 2 years to study trader tourism on the Turkish border. Statistics made in collaboration with Poland reveal the number of cars, tourists, guides, passage frequency, etc. From the Romanian Border

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157 Issues periodic bulletins, whose consulting is free, but any copy costs around 2 euros.

158 This is one of the cases for which Romania does not exist for western researchers, so, not for politicians, because this research has a top secret status, used to their interest.

159 To our knowledge, direct participants

Police, such data (detailed, not aggregate!) are impossible to obtain. The Transporters Association ordered no studies regarding the involvements of the cancellation of the Schengen visa, where we could have had an official statistic of the auto tourism, both grey and black. These new methods, used in market economy, are too few known and far from finding financing and organization here. Probably such data is available for special services, including the holiday capacity or houses built as secondary residences, but in practice such data is missing; how to base a decision about catering or a realistic insurance rate?

We may conclude that in order to face globalization criteria we must be able to use international statistics as well as being able to develop specialized databases which can allow for a decision to be taken *ex ante*. At the same time, the technique of using new international statistics models must be analyzed, such as the SSR or the TSA, which call for larger attention in comparing data from before and after the 9<sup>th</sup> decade, which are published.

### 3.14 Evolutions regarding the sphere of tourism services.

The total quality is defined by the ensemble of all the principles and methods applied in an enterprise, within an ensemble strategy regarding the permanent amelioration of product and service quality made by continuous improvement of the functioning of performances of that respective unit.<sup>160</sup>

It is very hard to tackle the “totality” of issues regarding the quality of tourism services. The area is extremely vast: laundry quality means an application of norms regarding standards for each tourism unit: commencing with the purchase, depositing, manipulation, maintenance (washing, repairing, cleaning, etc.) and its destruction; cleaning spaces can be very complex, spaces such as kitchens or spas, usage of fuels must be in accordance with safety and pollution regulations in countries where the transport means are being used, but also some of those who are brought by clients; this considering maximum profits; quality is often connected with safety as is the case of aerial transportation or means of agreement, for instance, it can be hardly commensurate, as is the case for interpret guides, the window of an agency, the attractiveness of a brochure or logo applied to a napkin or the design of the toilet paper, or perhaps it can be treated according to opposite or irreconcilable criteria, such as the quality of food products, from the perspective of the legislation of the country of destination and the country of origin for the tourists. Looking closely at Annex 1, on every position we can observe the vastness of the legislation (and not only) regarding tourism services. But also ***concurrent positions in which we must always place ourselves: tourist, supplier, and social beneficiary.*** Moreover, we must add the quality of *the political, social and legislative acts, which must govern tourism activity*, the “environment” in which it takes place, whose quality derives not only from the volume of tourism activities, but its quality as well. Any mistake in quality is dearly punished by the client.

We pause here with the “classical” issues of quality, which are also the competence of the educational system for tourism or control personnel. A new concept occurred, a concept which includes those mentioned above but which also includes the new position of tourism, its new way of being, and its new quality, obtained throughout the years: quality of life, competitive values of tourism activity and *leisure*.<sup>161</sup> The term quality of life regarding tourism and *leisure* can hardly be found in the literature.<sup>162</sup> Another close concept is that of durable development, where life

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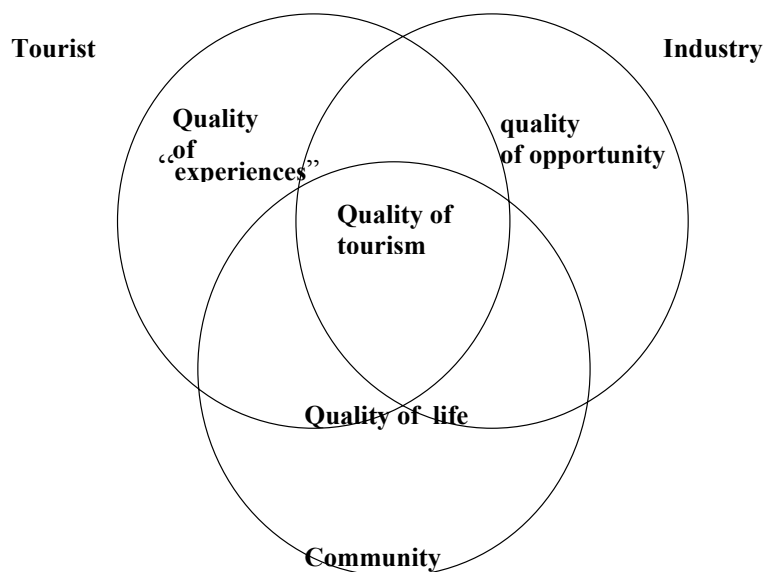
160 Petrescu I., Dragomir C., Cismaru G., *Managementul afacerilor economice internaționale în industria lemnului*, Ed. Lux Libris, Braşov, 1998 p. 98 after Sava R. *Componente manageriale în creşterea profitabilităţii firmei turistice* – Ph.D. thesis, Universitatea “Lucian Blaga” Sibiu 2003

161 we are compelled to use this name, as Romanian equivalents for entertainment are not surprising enough. See annex 3 for the definition of the term.

162 Still, the ATLAS Conference (Association for Tourism and Leisure Education) of June 2003 had as a theme “Quality of Life”. In the following we will support our exposition on communications by: Postuma, A. – *Quality of Life: competing value perspective in leisure and tourism* şi Marciszewska, A. – *Leisure time use of the Internet and the Quality of Life*.

standard is the purpose of sustainable development. Life quality means, according to Max-Neef, “the way in which we live our own lives<sup>163</sup>”, the way in which we satisfy the basic 9 human needs: subsistence, protection, affection, understanding, participating, fun, creativity, identity and freedom. Two concepts have become more and more important: that of the consumption society, based on an unlimited usage of resources for a welfare society and that of the conservatory society, which desires to enrich the quality of life trough sustainable development.

The concept of life quality is a multidimensional, inter-disciplinary and holistic concept, concentrated on the entire society. Tourism and *leisure* must be regarded as an integral part of the actual (post-industrial) society and its organization. This is why they must be regarded as “tools” which can be used for satisfying social needs. At the same time, they are a performing industry which can contribute to the wellbeing of a given region. Of course, the economic value of tourism can not be put into question, at least, not as we have show it, but we can question its over soliciting. But tourism also makes a “distribution” of knowledge about a region, community, raising the quality and experience of the tourist. Postma considers that the actual consumerist way of thinking must be stopped and we must take into account a multitude of values which will allow for a correct quantification of tourism and *leisure* – complexly integrated into today’s society. He defines “appropriate” tourism or the “quality of tourism” the tourism which tries to consider the needs and value orientations of its main actors, as an example: the tourist, industry and community and who cares about a just measurement of interests in a fair and democratic fashion. To highlight the three directions, he uses the following representation.




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163 “the way we experience our lives”

The nature of the western society is changing. In the post-industrial age, western society known demographical, technological, social and political changes. O'Sullivan & Spangler in *Experience Marketing* argue that the passage of western society from economic to psychical rewards. In a world of abundance the need for experiences becomes paramount. Consumption, in their vision, will not increase life standards, rather the quality of life. They divide suppliers into makers – supplier which create experiences as main elements of their services (*leisure*, traveling, hospitality and agreement) and “enhancers” – suppliers which use experiences to increase the degree of satisfaction for participants or which differentiate their services from the competition (personalized segments of the service industry, such as hospitals, airlines, supermarkets, churches). They underline the fact that an experience includes: the client, the supplier, other participants to the experience, it's interaction with his as it is.

From the point of view of the community, the potential contribution which tourism can offer to the host community must be counterbalanced by opportunity costs, to which one must add the restriction that profits can be maintained on a long term basis. Tourism quality is one of the elements, but an important one, of the larger concept of tourist destination.

The theory which will develop around this concept will be based on a new form of tourism, tourism of “experiences”. It is clear that these values are limited to the society of the rich countries, but also destinations across the rest of the world must know them in order to answer requirements of tourists which come from rich countries, used to a new way of perceiving services.

The expression “sustainable development” officially appeared after the World Summit held in Rio in 1992 and wishes to basically cover all that men must do in order to maintain conditions of sustainability for the human society in the future, here on earth.

The first step in the tourism field (1996) may be considered “the 21<sup>st</sup> Agenda for the tourism and traveling industry: towards a sustainable environment development”, a sector plan launched by the WTO, WTTC and the Earth Council, although ever since 1992 the “Code for responsible environment tourism”<sup>164</sup> was introduced by the PATA (The Pacific Asia Tourism Association) General Assembly. We also mention the “Code for child protection against sexual and labor exploitation in tourism”, as a private initiative or the “Sustainable tourism and cultural heritage” report published in 1999 by the World Bank. The prize for responsible capitalism was granted to Marilyn Carlson Nelson, the administrator and manager of the Carlson companies, to illustrate the importance of citizenship of multinational corporations, as recognition of the importance of the contribution that they can bring in countries where they operate.

Ten years later, at the 2002 World Summit for Sustainable Development in Rio plus 10 from Johannesburg, an attempt to evaluate the progresses was made, as well as current emergencies. On the established pattern, the Commission for Sustainable Development created the “Industry as a partner for Sustainable Development” report, by the WTTC, IFTO (International Federation of Tourism Operators), IH & RA, the ICCL (International Council of Cruise Lines), which tried to present the perspectives of tourism as well, moreover considering that 2002 was the year of ecotourism as well. The report presents the daily status of tourism, and as a separate perspective, its issues from an economic point of view, from its social perspective, the one regarding the environment, to see how the tourism industry answers the development of sustainable tourism, future objectives, and a proposition for the continuation of the process which already had begun. As a separate perspective, the evolutions of the sustainability of tourism in tour-operators' activity was presenting itself, the *hospitality* industry, of cruises and terrestrial transports by coach or rent a car, in order to finish with a plea for dialog.

A couple of conferences, meetings and events have accompanied the Summit. There is now plenty of literature on the subject. We do not want to insist as Romania is not at all able to sustain such a kind of tourism. At a matter of fact, the Johannesburg Summit has clear showed that Rio

process has failed, as long as the big economic powers (including in tourism) avoid to involved themselves, even “forgetting” to sign the agreement.

Tourism is a synthesis activity and gathers the whole economy and the cultural, social etc. areas and is a real barometer of life standards. So it might have a major effect on influencing the human life. But, providing that it acquire people problems it can not offer something else.

## **PART II**

### **4. Romanian economy in the age of globalization: restrictions, exigencies**

Romania, a territory situated on the Carpathians, called either “The Garden of the Holy Mother of the Lord”, or “the country where milk and honey pour in the rivers”, has a strategic position, has a territory of 237500 square kilometers, and a population of circa 22.000.000 inhabitants which are proud in their continuity. Although at the “crosswinds”, always trampled by armies or strangers who settled here and mingled with the populace, the country was a melting-pot<sup>165</sup> and had its passing lords.<sup>166</sup> Its riches were its curse, the strong feasting on the labor of the weak. Numerous are the pages dedicated to the country and people, unfortunately not in a language of international traffic, which can make them known.

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165 In a way, after the roman conquest, this territory became the “America” of those times. Colonists from the entire Roman Empire, of all categories, were encouraged to settle here, creating an antique “melting pot”, such as with the USA. Maybe this is how we can explain the permanence of Latinity, Latin being a Franco – language, and those who settled here, and their followers – heavily nourished by a wealthy land – cut their roots for the new “promised land”. Moreover, in the middle Ages, there has been a period of repercussions: passing armies had no interest in destroying the rural population from whose resources they could be nourished when they would leave or return.

166 See Barbu, E. – *Pricipele*, Ed.

Modern history is a succession of periods, which, although are each a continuation of the other, have been distinct none the less. Contemporary Romania, created after the Second World War, in a continuous struggle among world powers, was sold for the temples of Greece, by an exchange of notes, ratified in the solace of Potsdam. The country will pass through a new test, called socialism. After almost 45 years, when new generations should have forgotten what was before and be “new, multilateral developed people of socialism”, a new test of history pushes us towards a capitalism of abundance, towards post-modernism society. A new experiment?

#### 4.1 Romania in numbers

An analysis of statistical data is either impossible or without relevance. Impossible, because the history of the last 14 years is locked in official drawers, where access is denied for a usual researcher, which would try to have a global perspective on transformations which shook the foundations of the Romanian people<sup>167</sup>. This is irrelevant, because, even mentioning a well organized system; “its background” is doubtful. Statistics which occur 2-3 years after the events themselves are many times contradicted by official statements of that time, and practice shows us the fluidity and liability of collecting reality, of data introduced into the system.<sup>168</sup>

We must mention something for our endeavor, unquestioned by anybody, at least so far: the Romanian economy compare its performances with those from 1989, the lowest year in Ceausescu’s socialism and hopes, to reach that level as quick as possible. The population on the other hand, compares promises regarding the freedom and access to the wellbeing economy with the costs of covering daily needs, noticing that the competition which occurs is more and more indifferent, unfortunately almost exclusively in the domain of primary, raw accumulations.

Still, Romania’s population (thousands of inhabitants):

year	total	urban	rural	%	%	%
1930	14251	3051	11230	100	21	79
1948	15873	3713	12160	100	23	77
1960	18402	5912	12491	100	32	68
1965	19102	7306	11706	100	38	62
1970	20252	8258	11994	100	41	59
1979	22048	10734	11314	100	49	51
1995	22680	12457	10223	100	55	45
2000	22435	12244	10191	100	55	45

Source: Romania’s 2001

yearly Statistics report

The last an reveals

statistical data increasing of the

population in rural areas, as a reduction of the level of industrial activity. We also notice the powerful increase of the urban population as a result of a major migration during communism, of the population from the village to the cities, towards major blocks of flats meant to break the past and form a new man. In parallel, important masses of people have been moved from one region to another, either through deportation, or under the pressure for need of qualified labor force in the development industry, first in regions with more tradition in this field, in order to form new enterprises in the regions which were left behind, then vice versa, to balance the ethnic composition, taking advantage of the attraction of industry.

Romania was known as an agricultural country. Centuries, decades it was the “granary” of Greece, Rome, Constantinople, Vienna, URSS, and then it ensured the resources for the modern development of socialism, for the payment of war debts, and the feeding of the population, many times insufficient due to a lack of sympathy and the voracity of those who based their wellbeing on Romanian products.

167 In spite of the law for transparency, the miner uprisings, their economic effects and not only, are under the sign of the sphinx.

168 See as an edifying example those concerning privatization

Production of main agricultural products						
Total thousands tons ( world/Romania)						
	1990	1997	1998	1999	Average per inhabitant kg 1999	Average for ha
Brute fleece	3065	2421	2372	2363	0,39	
	38	22	20	19	0.85	
Cow milk	481840	466427	478081	480659	79	
	4156	5421	5248	5078	226	
Potatoes	267586	301556	293377	294332	48	16358
	3186	3206	3319	3957	176	14434
Corn	479340	586410	614003	600418	99	4313
	6810	12687	8623	10935	487	3627
Wheat	592589	613342	591632	583624	96	2711
	7379	7186	5208	4683	209	2776

Number of livestock (at the beginning of the year)						
Total thousand heads ( world/ Romania)						
	1990	1997	1998	1999		
Sheep/goats	1772784	1746821	1767388	1778603		
	16452	10317	9547	8994		
Pigs	855775	841890	882544	912708		
	11671	8235	7097	7194	Only 4797 in 2000	
Bovines	1430628	1482306	1492260	1496828		
	6291	3435	3235	3143	Only 2870 in 2000	

Source: Romania's Yearbook 2001

Today Romania is struggling to ensure the required food products. The cases will be analyzed in the following chapter.

The most controversial problem is the one of the industrial sector. We present here only the indexes, as compared with several other countries, chosen not by accident.

Indexes of industrial production (%)			
Country	1999/1990	Annual average rhythm	1999/1995
Romania	57.3	-6	83.1
Russia	50	-7.4	100
Slovakia	84.3	-1.9	105.6
Hungary	125.2	2.55	142.4

Source: Romania's Yearbook 2001

After 1990, the theory of the official propaganda and specialists from developed countries (the US and the EU in particular) was that Romania's was just a pile of scraps. A sudden amnesia of western technocrats (the Romanian people were not given access to information under the law of secrecy) ignored that the same industry produced armament, one of the major exporters in the world (today, from 200.000 worker we have 35.000, and they are too numerous for the amount of orders stated – less than 5% of total capacity<sup>169</sup>); that on oilfields, big western companies were

169 Nine years ago Romania exported armament of total value of 167.7 million dollars, in 2002 the value was only 43.8 million dollars. In 2001, local companies managed to sell outside the borders products of only 24.5 million dollars. "Our main problem is the lack of orders from the internal and external markets". – Dan Garboveanu, executive director of PATROMIL. Considering the fact that Romania will align itself directly to NATO requirements,



meeting with Romanian competitors, that Romanian tractors and land vehicles were spread in South America, Africa and Asia, that Romanian chemical products were always under embargo due to the dumping level of the price/quality ratio, that locomotives and wagons were appreciated, etc. that the Romanian fleet had the largest tonnage under the national pavilion. All under political pretext. But did Thatcher not do the same?

Brute GDP / inhabitant (calculus on the parity of purchasing power) international dollars						
Country	1995	1996	1997	1998	1999	
Romania	6095	6595	6422	6153	5441	! different methodologies
Czech Rep.	9770	10870	10380	12197	12840	
Slovakia	7380	7460	7860	9624	10430	
Hungary	6410	6730	6970	9832	11050	
USA	26980	28020	29080	29240	31910	

Source: Romania's Yearbook 2001

Romania's percentage in the world GDP in 2000 is modest: just 32748 million USD, meaning close to 0.09% (0.4% in population numbers), with an annual growth rate of 0.1%, meaning 1460 USD in 1995 per inhabitant and 6442 USD in 2000, of which 13% from agriculture, 36% industry and 61% services (according to UN and World Bank statistics).

According to Romania's yearbook in 1999, the GDP was constituted from agriculture, hunting and fishing with 15.1%, industry, including building with 33.9%, and services – including financial intermediaries – with 51%.

External commerce is strong. Here are a few comparative data for 1999.

Percentage of exterior commerce of several countries in world trading									
country	Export FOB					Import CIF			
	1990	1997	1998	1999	1990	1997	1998	1999	
Romania	0.17	0.16	0.15	0.15	0.26	0.21	0.22	0.19	
Czech Rep.		0.42	0.49	0.48		0.49	0.53	0.51	
Hungary	0.29	0.34	0.43	0.45	0.25	0.38	0.47	0.49	
Slovakia		0.15	0.2	0.18		0.19	0.24	0.2	import FOB
USA	11.58	12.74	12.79	12.69	14.83	16.35	17.41	18.68	

It is clear that we have a deficit. We must extend our area of comparisons

(mil USD)/USD	1970				1978			
	Export FOB		Import CIF		Export FOB		Import CIF	
Country	Total	Per inhabitant	Total	Per inhabitant	Total	Per inhabitant	Total	Per inhabitant

the patronages of the profile industry estimates 50-60% of weapons factories will vanish from the market. The demand for armament on the internal market was reduced because Romania lost traditional external markets as well as a result of modifications in the reality of international relations. Moreover, on the external countries where our country operated states such as Russia or the Ukraine entered, with a far greater armament industry than our own.

Romania	1851	91	1960	97	8237	377	9087	416
Czech Rep.	3792	265	3695	258	11747	776	12565	830
Portugal	949	105	1582	175	2393	244	4791	489
Slovakia	2317	224	2506	594	6345	594	7902	740
USA	42500	209	39756	195	141154	647	182787	838

Exterior commerce in 1999					
Country	Export FOB		Import CIF		
	Total (mil USD)	Per inhabitant (USD)	Total (mil USD)	Per inhabitant (USD)	
Romania	8487	378	10557	470	
Czech Republic	26834	2610	28783	2800	
Greece	9815	923	25433	2393	
Portugal	25228	2551	39826	4027	
Slovakia	10062	1863	11131	2061	import FOB
Hungary	24947	2477	27920	2773	
USA	702098	2571	1059430	3879	

The inferiority position is maintained, but progress is obvious, although the transition period marks stagnation.

An important contribution to the transition period was the policy of the discount interest rate of the National Bank.

Discount interest rate of the National Bank of Romania (%)					
Country	1995	1997	1998	1999	2000
Russian Fed.	160	28	60	55	25
Romania	35	40	35	35	35
Hungary	28	20.5	17	14	...
Poland	25	24.5	18.3	19	21.5
....					
R.P.China	10.44	8.5	4.59	3.24	3.24
Czech Republic	9.5	13	7.5	5	5

Source: Romania's Yearbook 2001

The National Bank still has high discount interest rates, after which at the beginning of the period it was the main instrument in dragging liquidities towards the banking system, thus generating a financial blockage and the blockage of the economic system, especially in industry. Still, after it repeatedly lost the country's golden reserve, the reserves of Romania are still solid; this questions yet again the need and opportunity for IMF loans.

Golden reserves at the end of the period (millions of pure gold ounces)					
Country	1995	1997	1998	1999	2000
Romania	2.7	3.02	3.22	3.32	3.37
USA	261.7	261.64	261.61	261.67	261.61
Russian Fed.	9.41	16.3	14.74	13.33	12.36
Czech Republic	1.99	1.04	0.29	0.45	0.45

Source: Romania's Yearbook 2001

## 4.2 The long road from socialism to capitalism: the transition

After 1989 our history is very dense and unfortunately hard to research, especially in the field of economics, but politics as well, and due to the fact that most decisions were political, for

the changing of the flow of the country, of its path with repercussions in economy, social life, culture, arts, etc. Romanian enthusiasm was an authentic one. Thrown by force in the soviet system, freedom came as a new life. But a strange life. And it is not the shock of the realities of a world long hidden, but perhaps the lack of preparation, of proper training for the meeting with the western world, a world of wellbeing. Living in the aquarium, for a generation, Romanians imagined, researched, and studied the ocean, the waves, and navigation, beach-walking. But the direct contact knocked them down. It was something different. But westerners too, simple people, those who came at the start, had the same surprise: behind Ceausescu's wall, life, but mostly people were nothing like they had seen on TV. Romanians, caught under the subtle propaganda of the messengers of stronger and wealthier countries, forgot that the world is made mostly of workers, especially those poorer than the wealthy. They went on to build – in the tradition of lengthily reflexes – capitalism, the society of abundance. They did not really know what to do. Most of them, born to execute. The country had it all, as soon as foolhardy exports came to a halt. But people as well seemed to take a long vacation after a long period in the concentration system! Pushed by the westerners, living in the global society, they walked the path of transition, called integration afterwards, which sounded better. Shock therapy was required, avoidance of the long path. Actually, with the approval of EU plans for Eastern and Central Europe, one of the high dignitaries demanded energetic measures: “don't let them change their minds!” The Romanian people, kind and patient, but also stubborn concerning the new, which most of the times brought us nothing but trouble, was split in two. On one hand, we had those who wanted to become the new capitalists, which started out as “traders”, only for them, after 2-3 years to become “cardboard” millionaires, and to launch the slogan: “if not us, then who?, if not now, then when?”; primitive accumulations had begun, still “original”, according to tradition. On the other hand, most of them expected the arrival of the new society. Still part of them began to work, struggling to succeed, to develop, to build, fighting not windmills, but the voracity of the hybrid system, of a neo-fanariot and neo-communist structure.

**There was a certainty which resumes any theoretical demonstration: after 14 years towards capitalism and a decreased lifestyle, it is almost the last one in Europe. The majority lives under or at the limit of poverty while a minority, 1-2%, became rich beyond measure. Polarizations lead this country to a banana-like state.**<sup>170</sup> It is almost as nature itself stands to confirm this status: prognosis indicates, on a medium term, a major climate shift, which may even mean that Romania will become a desert.

Economic and political measures in this period are numerous. One started with the proprieties of renters. They woke up home owners, for very low prices, but in the limit of their warranty or usage, without capital repairs being made; they continued the standard of living until “bubbles”<sup>171</sup> appeared; but mostly due to high costs for maintenance they were compelled to modernize. But the issue remains: capital reparations are now in the hands of the owners; the Romanian state cashed in the money and escaped the obligation.

The dissolving of the CAP followed the transformation of the socialist propriety into public propriety or towards nationalization, restitution of lands, liberalization of prices and salaries, of currency and most importantly, privatization. The institutions of the market economy were created,

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170 In the last decade, prices for main products increased 1000 times, while Romanian purchasing power decreased 5 times, according to INS data. During the same period, minimum brute wages increased just 212 times, from 13.200 in 1993 to just over 2.800.000, at the end of 2003, while medium increase grew 233 times. The most spectacular increases are clothes, shoes, electrical products, land, houses and fuel. A decade ago, a pair of shoes costs 1.000 lei, and in 2003, a million. A suite costs 3.500 lei, and in 10 years, its price increased over 1000 times. In food products, in exchange, price ascension was lower, the price increasing to over 200 times, especially for dairy products and vegetables. 10 years ago, bread cost 60 lei, a kilo of potatoes 180 lei, a liter of milk 85 lei and a kilo of tomatoes 100 lei. Today, some of them tend to become luxury items. A washing machine of good performance cost 7000 lei, and today, when the offers are more and more diverse, 15-20 million lei. But the most shocking increase is fuel. During 14 years, fuel prices increases 3000 times, and diesel fuel 6571 times. After Gardianul newspaper, June 29<sup>th</sup>, 2004.

171 Dangerous houses in case of earthquake have been marked with a red dot.

and their functioning was attempted. Yet again, shape and background became the main issue of debates and strategic decisions. And we quoted just a few. The search goes on, although it seems slower, as if a new break has been taken.

The red wire, **the obsessive preoccupation** of those who ruled, but the population as well has been, for years, and for some still is, **the finding of foreign investors, of foreign capitals for investments.**<sup>172</sup> Since the beginning, the activity ceased. Investors were scouted for, at the advice of western emissaries. Meanwhile, the markets where we were selling became full of them. We found out about it too late. Methods of privatization had their avatars: the MEBO method, management location, direct selling, the stock market, coupon frenzy, numerous types and methods of auctioning, etc. The result: 30% of existent funds, representing private propriety account for 50% of the GDP and 70% was left in the hands of the state, waiting (for who?) produced the other half. In expectation of foreign investors, we passed on to our own: companies with huge state debts or suppliers, buying through ghost firms, strong stakes and vow to modernize consistently. Unemployment increases, the real salary stagnates, the standard of living decreases. Romania's image abroad either does not exist, or it is damaging. Prime minister Adrian Nastase (at the date of the writing) pointed out, by commenting the position of the central bank, the opportunity to restrain credit given to the population: "We must understand that, in Romania, we use the so called "money vacuums". Right after the revolution, the first vacuum was the one which sighted the savings of regular people, the mattress money, and they were quickly consumed on second hand cars from the West. Then, the next wave, parts<sup>173</sup>, which were expensive, and in this way two-three billion dollars were wasted from savings rapidly. Now, unfortunately, this is certainly something we must pay attention to, because money is gained from future income." This realistic observation appears strange, especially because at that time, there was no warning, let alone an enterprise for informing the population. On the contrary, the apparition of second hand cars was presented as an illustration of the freedoms of the luxury society. **The policy of the West regarding Romanian economy, and mostly the lack of reaction of the political Romanian sector**, the main defender of the country and population, especially now, when wars are unconventional by nature – a well-known idea ever since the 8<sup>th</sup> decade – **is well illustrated by the evolution of the production and the market of pharmaceuticals:** during the first few years, factories which produced medication lost their traditional markets, and then the internal market. Old standards required a certain speed and reaction power of medication, much slower than that of medication from the West, where the policy of tackling the ill was another one, as we have already shown. Here, the policy in the field was different and the population had been accustomed to a different level than in the west. Numerous supplies, received either for free, which came along with the revolution, and afterwards, included large amounts of medication, which, by being introduced, created superiority, although doctors knew the difference. By disorganizing the health insurance system, of tickets for spas, at low prices, a major means of therapy was lost. In exchange, medication produced by global laboratories entered on the market, at prices adapted to the internal market, usually using a different name to maintain their prices on their basic markets. The campaign was well planned, using work points in the country and the entire arsenal exploited in such cases: documentation visits, demonstrations, free samples and delivery, etc. in order to create addiction, even stronger than with drugs, because medication is legal. This was a normal evolution – once an opening towards global markets has been made – ensuring the assimilation of the technical progress in therapeutic practice. But the Romanian medication industry was sacrificed. During the first years, without capitals, it lost contact with the world market by privatizing personnel from foreign exchange firms, which imposed a monopoly on manipulation and information, even during the period of price liberalization and currency transactions. Until the phenomenon was empirically observed by the producers, they had already lost the match: the only

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172 Between 1991 – 2003, the volume of foreign investments reached 10 billion USD (according to ARIS – Romanian Agency for Foreign Investments), the circa amount of cumulated debts.

173 See also "Trader tourism" chapter and German research

chance was to enlist in the global system, in a position of dependence. The internal market was given freely, global labs ensuring great profits by maintaining prices at an all-time high, the maximum solvable purchasing power, even compared to alimentation or clothing, maintenance. And this is just one of the possible examples.

We have no intention of making an inventory of Romania's transition period. The deeds are recent and known. We can not even make a scientific exposure of privatization in Romania. However, we underline that **global societies, transnational companies had a precise purpose, which is obvious today: Romania's market and taking Romania out of its traditional markets.**<sup>174</sup> Today, after transnational corporations are present here as well, Romanian firms are called upon to subcontract. Many times the required commission is larger than the contract itself. The recent case of the reconstruction of Iraq is obvious. Or the comeback on the Russian market with oil machinery. The internal market had to be Romania's strong point in the negotiations. Granted by nature with all that it requires, Romania could have satisfied her own need almost completely, as resources were its own and having the required production systems. The opening of the markets had to be paid. Lack of knowledge, wrong advice or other interests lead to the paradox that Europe's granary has no more grain. This happens while silos in the free area of Constanta are full of grain from the production of last year or this year, like many in Baragan which await the orders of their foreign owners regarding delivery towards Romanian importers. And the price of bread is increasing. **Most direct capital investments**<sup>175</sup> were made by creating a Romanian interface, a Romanian commercial society, as in many other countries of the former communist regime. From the field study which we were able to observe, we noticed two frequent situations. In the first, the actives of the Romanian party to the newly created company mainly consisted of existent actives, still in the propriety of the Romanian state, usually until 49%. (The system is known in the case of privatized societies by selling of stocks or direct negotiation of the control package). In this way, the plus of foreign capital becomes minimum and one of the shareholders, the Romanian people, represented by the Romanian state, becomes the "absent owner" from countries with classical capitalism. In the second case the Romanian society is only one of complacence, usually a limited company with a capital of 100.000 lei in which 90% of the social parties belong to ghost firms which have no connection from the juridical point of view with the investing transnational company. Usually it does not sanction the usage of its brand because its activity in Romania is developed by buying services, and leasing of its know-how, at convenient prices. Moreover, the external partner of the limited corporation usually repatriates dividends, without the transnational being able to make no investments whatsoever, because they are made by Romanian partners, with their money, trough the acquisition of equipment, personnel forming, etc. at western standards.

And **product cooperation** interested transnational capital due to a low cost of the labor force. The fields are varied, from clothing – Romania is present here only trough lohn – to the high-tech or software industry.

Let us add the enthusiastic **cooperation of the state trough special legislation for large investments** as was the Daewoo case. Daewoo Automobile received the needed facilities trough a

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174 Representatives of multinationals on Romania's market claim that the activities from Romania substantially contribute to their improvement of financial situations. Sometimes, the main engine of many of them expanding is Eastern Europe activity, especially Romania, Bulgaria or Russia. Considered as the region with the largest potential for increase, Eastern Europe and thus Romania because a destination for more and more foreign company also due to the great results which companies who had the courage to invest here had. "Due to the inauguration of new shops, Romania's income will increase larger than the one in France", said Jean Michel Arauld, general manager of Hyparlo, and independent and franchised group by Carrefour. Hyparlo's income in Romania was, as he said, 13% of the French counterpart, in 2003, and for 2006, it will reach 50%. And, for an illustration of the major distance between "theory and practice", the main strategic buyers are state owned: Renault, OMV, etc.

175 During 1991 – September 2003 (according to ARIS), the annual income of direct investments in Romania was almost 768 million dollars/ year, the largest sums being invested in the industrial sector (54.3%), followed by services (16%), commerce (10.7%) and transportation (7.8%).

special law which granted them at least the double amount of money which they had to invest. Maybe we did not know, but the horizon of 2000-2001 meant – for cars producers - the decisive liquidation of the Korean enterprise. So, in these circumstances, it becomes unthinkable that a contract was signed, with the horizon of 2005, without a serious clause when that contract was due to expire. Daewoo cars are good, the profit obtained by the investor was consistent, but the way to act was the typical globalization technique of “hit and run”. As the case was for Dacia Pitesti, since 2005, Daewoo Craiova had no more new models.

We must also mention the importance of “silage” for the entry of transnational companies in Romania. Small investors, people with adventurous spirits, either followed or preceded them. Profits obtained, although consistent, were repatriated through legal activities, but most of them illegally. With all the state’s weakness, more and more cases show up, almost like when a bank goes bankrupt.

In the last few years, through activities of foreign banks, it seems that the Romanian economy begins to enter the aggregate of the market economy. We can not yet mention capital operations, except loans or setting stakes rights up for sale. We must also mention the granted warranties given by the Romanian state for external credits and paid for by the state, but also the huge accumulated debt. Whereas this has an equivalent in the global system. As only a small part of this moved towards the exterior, through national accounts, the rest is under subterranean domain.

As a conclusion we can certainly say the following: as long as on the Romanian market the price of consumption goods, services, etc., as a whole, the existence price is the same as in the E.U. – mutatis mutandis – as long as production processes are similar and labor productivity in the new societies is comparable to that in the west, the salary difference is anywhere between 150 EURO/month and 2000 EURO/month enters mostly in the profit of transnational corporations through the system of the Romanian market. At a ratio of 1 to 10-20, it is hard to admit the contrary<sup>176</sup>.

Actually, the insistence with which the E.U. desires Romania to be in the community, in spite of continuous tricks to obtain punctual advantages, especially after the fact that Romanian authorities are in a hurry to meet demands – argument in the same direction. We quote after V.Laslea – chief economist of the National Bank: “I wish to remind you, to make a sending towards the role which individuals, so not even groups of citizens, but individuals, had in shaping the European speech and structures...in the beginning, in the 50s, the European Community was not based on the supposed advantages which it would have brought them, as fear....fear that Germany and France would develop a divergence, then the fear of small countries, Belgium, The Netherlands, Luxemburg, Italy, not to remain behind this engine, then other countries, including Great Britain, not to lose this train...So, until becoming a promised land and a place envied by everybody, the E.U. was an elite construction against, sometimes, interests of social groups and voters from their countries...what we notice in Romania, is that the country is structured in a system of interests which is not precisely integration oriented...there are very few social and professional groups which have to gain from clear rules and laws applied accordingly and there are many groups who would lose...syndicates, patronages from state industry, administration personnel, “individual patronages” of private firms...and then, the role of such elites becomes clearer, politicians that assume to push the entire economic agenda, through persuasion, various political methods, even against the main tendency in society....it is very clear what must be done...the question is: who to do it and why?.....” As a coincidence, another chief economist of the

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176 With a monthly income of 597 euro / month, a pauper in Europe is 9 times richer than a pauper in Romania, who only has a 68 Euro aid (French Statistics Institute). Concerning pensions and average incomes, our country is in a dire situation. For example, the average pension of a European is 1500 – 2000 euros in western states, while a Lithuanian has over 100 euros/ month, Hungarians 130 euros, and Romanians 68 euros. On one side and the other of the former “Iron Curtain”, income variations are huge. In Poland, minimum wage is 170 euros/month, in Lithuania 130, and Romania does not overcome 68 euros. In EU countries, minimum wages vary between 1368 and 800 euros.

National Bank, Daniel Daianu, in one of the few documented studies reached the conclusion that, by adhering to the E.U., in spite of funds and subsidies granted, Romania will lose more than 10% of its level, which must be covered from its own resources.

We must see the *significance of economic integration of Romania both from the perspective of our country as well as the perspective of the E.U.*

The E.U. does not make charity by admitting Romania into its ranks. I do not believe that it acts from a reparatory point of view, because Romania economically sustains European countries by vital exports of livestock, grain, oil, etc. and did so throughout the ages, and offers its internal markets for the selling of manufactured products of developed countries, a phenomenon counterbalanced by the politics “trough ourselves”. On the contrary, the E.U. can not neglect a market of 22.000.000 consumers, but also not an economy which placed our country at one of the top spots in weapons industry worldwide, steel production, maritime fleet under national flag, etc. So, an imperative solution regarding the peaceful living was required, in the context of the collapse of the communist block. As the strength of the European Union to assimilate big economies such as Poland, at the same time with economies such as Romania’s, the process was divided into stages. So, **Romania’s economic integration signifies, on one hand, from the European perspective, the end of the absorption process of the former communist space** and creating a new economy and global market and a market of a sufficient size, which would answer to the imperatives presented by Lionel Stoleru.<sup>177</sup>

*From the Romanian perspective integration was not an option.* The need of developed European countries of a new type and dimension for the economic space leaves **only two alternatives: either confrontation**, with the immediate result of isolation and accepting the consequences of defeat in time, or **the negotiation of a compromise**, which would bring the maximum profit for our country and our people. It is obvious that the second scenario was a positive and realistic one.

**For the Romanian population the effects of integration reside in the hope of a deciding change** in the perspective of our lifestyle: a passage from sacrifice, for “defending the Christendom” or to accept a life of misery, to a new style, an embellished life of the west. Unfortunately, this change, this passage, “transition” will be paid in full and the population begins to realize the costs only during the last few years. On the other hand, E.U. integration means, for many Romanians, the **exit from the cursing sign of choosing among rival blocks**, of choosing alliances under pressure, many times, under the force of the moment, of “betraying” signed alliances, as in the last and past few wars; **it is the fulfillment of the need for belonging, the exit from the fortuitous and preventive isolation and the finding of an identity in a world full of risks and thus, escaping solitude.** This final aspect is though still a desiderate, Romania being forced to navigate with prudence, diplomacy, and maximum attention, trough heavy cists and compromises between NATO, the E.U. and Russia as well. Whereas, after integration, by giving up part of our sovereignty, by belonging to the union, accepting the faith of all the other members, the feeling is induced, and trough it, the breaking of the state of dilemma which marked us for so long, nearly two millennia. The main condition for such an “exit” is economic integration, its significance being much more profound and broader than it may appear at a simple analysis.

We now have **the great habit of Romanian society: secrecy.** The Romanian village had a known life, with principles and rules maintained by the feeling of shame. Once industrialization came, urbanization and the crowding of a large mass of people in bedroom flats, begins a process of alienation, but also a tendency, put into practice, to use large masses of people by means of social intervention and conducting, clearly stated at the Revolution or in other movements. Before 1989, the former communist “aristocracy”, a rough plutocracy was separated from the mass, even exited public space, behind doors of reserved restaurants, except for festive occasion. After 1990, the new management, the second generation to suffer from such a disease, encouraged perhaps by western emissaries, too less willing to make public the stages of the following stages and their

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177 See also Cap. 2.4

costs. At the time this work was published, the agriculture file was being negotiated in Brussels: item by item: what, how much, where, in what terms is cultivated or growth, and at what prices and quality standards, where and how much is being sold, exported and imported. It is a hard process, with major implications. The press announces allegedly that from 2004 “the cutting of the pig” will become a memory, as it is forbidden by communitarian norms: news taken with amusement by the traditional Romanian. But, in stead of a total transparency of information, of public discussions to find solutions – measures will come anyway, the “dream” of integration surpassing any sacrifice – we find total silence. Moreover, an obvious fact: by U.E. adhesion, 45% of Romania’s rural population must be reduced at just over 10%. Not 35%, but let’s say 25% is the require number: they must change their occupation; find a new way to make a living. And this goes for 9.000.000 inhabitants, meaning 4.000.000 working adults.

### 4.3 What keeps us still? Isolation

Romania has been a national state for only 80 years. Even after so many years, the Romanian society still asks questions. It is strange and outrageous, for a convinced “unionist”, the distinction which is being made, including by known specialists, not only in public debates, but also in published works, as well as manuals in the extra-Carpathian and intra-Carpathian territories. As if history is not common and the present united. Of course, there are differences in any country, even the highly regarded ones, divergences even. But the national feeling still prevails.

Romania’s history is troubled. Not only due to its situation at the gates of the Orient (or the Western gates, as you wish) made its mark. The vegetative state of the Romanian nation, the long slumber, as an exit from historical time which marked the personality of the Romanian people greatly. A long trauma, the “blind” period of the first millennium which will push “hardly” on the springs of this nation. We do not believe that eternal wars slowed our progress down, as compared to the “west”. Rather, first of all, the absence of a breathing political class. As long as there have been *earthly lords, they became enclosed within themselves, they isolated from both the western and the eastern world, bound to the land by the election system of succession to the throne.* And religion favored isolation. Then, as Europe becomes full of national states, which become rooted, empires develop, the interest for Romania is growing (we use the term Romania even for that period in order to mark the unity of nation, although separated from the political point of view). The Romanian people accept foreign lords easily (as they do with refugees and people which came willingly to these lands) and through this they allow the creation of a mixed elite, in permanent movement, under the passage of time. This is the main cause which delayed Romanian unification. And even when the union did take place, pressure came from outside, whether it was ideas surrounding 1848 or the interest of great powers. The partial unification required a foreign lord as well, perhaps due to customs. We reveal lower a table concerning the

#### Milestones in the formation of the Romanian unitary state

1815 Final act of winning powers on Napoleon: the drawing of European borders		
1815: Basarabia passes to Russia, then given back and in the end exchanged with Dobrogea		Balkan freedom wars. 1828: Greece becomes independent
1821-1848: First oil „factories”, sugar, flour, meat products, beer, clothing, weaving, glass, porcelain, candles	1821-1848: modernization of metal industry, the first workshops for heavy duty machinery. The canceling of guilds, the apparition of competition, of new jobs	
1848 successive revolutions in the three countries		
	1849: Transilvania depends directly on Vienna	



1831/1832 Organic Regulations. Reintroduced in 1849		
1821: Treaty of Bucharest: lords are chosen by native boyars. 1822 people come back to native reigns. Examples: Mihail Sturdza, Gheorghe Bibescu, Alexandru Dimitrie Ghica, Barbu Stirbey		
1844: the annullment of gypsy slavery from domains of monasteries and state		
	1851: magyar constitution of 1848 is reintroduced	1853-1856 Crimean Wars
1856-1858 The Paris Convention whose text will serve as Constitution until 1866	1853-1854: emancipation of the „jeleri” (dependent peasants)	
1859: Unification of the Principalities 1963: secularization of monastery estates: 1/3 of agricultural surface 1864: rural law: anulment of slavery; The Law for public instruction; The Civil Code; The Penal Code 1866: The first Constitution. Law for agricultural bargaining		Germany and Italy are formed as national states
	1860-1861: Banat was annexed by Hungary	
1866: “the monstrous coalition”. Carol de Hohenzollern-Sigmaringen comes into the country. July 1st, the new Constitution: a constitutional monarchy	1861-1867: liberal habsburgic regime 1867-1918 Austro Hungarian dualist regime: two capitals, two governments	
1877: Independance War		1877-1878: The Turkish Russian War in the Balkans
	1881: The National Romanian Party was unified	
	1905: political activism	
1913: The second Balkans war. Romania recieves the Cadrilater		
July 15th, 1914: The First World War errupts		
1918: de facto Unification: Kingdom of Romania, Basarabia, Transilvania, Crişana, Banatul and Maramureşul		
1925: Law concerning weakly rest time		
1928: Law concerning protection of women and children and establishing the working day to 8 hours		
1929: law concerning labor contracts between patrons and employees: paid vacation, notification before being fired		
1934-1938 industry knows a boom		
From 1939 the budget is army oriented		

During all this time, in a world where globalizations was a major element, Romanians were rare exceptions, few personalities which amazed and aroused curiosity. But we did not know important cases where they were part of the amazing decisions that concern the world. Either curious presences, they were not admitted in intimate circles of exercising of power, or economics, of sharing wealth. George Calinescu noted that the Romanian is most happy when he can welcome you to his house: when he can serve you with his wine and meal, from his cellar. Whereas social life, at that time, was state-restricted. Elites loved voyages in Paris, Bucharest’s can-cans, but they were not inclined towards the concrete universe of deeds, not ideals. Few personalities are imposing themselves between the wars: Elena Vacarescu, Nicolae Titulescu, a few artists. But no one within the closed spheres of business technocracy with global ambitions. Romanians abroad followed traditions at home: isolated from the locals, fights and dissention among nationals. This is why we had nobody at Yalta or Potsdam. Not to decide, but at least to be informed and lobby (the term already existed). Literature is rich on this subject. To come closer to actuality – “the

edification” of the capitalist society – we quote St. Zeletin, which regards the formation of the Romanian state exclusively due to western capitalism: the generating principle is money; institutions start from the reality of exchanging needs, as he claims the existence of Romanian capital, the evolution process would work, so, from shapes to background. “Our bourgeoisie was formed on the basis of imitative revolution. As the principle of social independence goes, together with the synchronism of contemporary life, we have not been passing through all the phases of bourgeoisie, rather we adopted the final form of this civilization....”But the liberals” created a budget democracy and not a labor democracy”. We retain, from S. Alexandrescu, aside from the three paradoxes; of belonging, of simultaneousness, and of continuity/discontinuity and that<sup>178</sup> “...in an age dominated by mass-media, white areas had no more place on the world map. Romanian culture begins to be known and the reason for which *all* the cultural objects must be known...the fact that presenting a crossover culture becomes a quality at the time when frontiers become insignificant...”

After that, we have 45 years of orientation towards the Slavonic world of communism, more or less valued, but at any rate, not enlarging the water tank in which we lived. The rules of the new “aristocracy” were somewhat different, they were something connected with those of concentration camps. Technocracy, which basically did not exist, was replaced by nomenclature.

We add the lack of written communication, the Romanian language being a minor language, from the point of view of the readers, and translation efforts, as well as distribution efforts, were basically null and void. Few exceptions do us honor. But this was not the case in all active areas, mobiles of economic decision.

The Economist printed at the beginning of the 7<sup>th</sup> decade, a few pages on new generations of Romanian businessmen, making reference to graduates of the Faculty for Foreign Trade. The last 14 years were rough. Still, where have all those people gone? We do not find them either within the finance world, nor international businesses.

Anno Domini 1990 caught us unprepared. We were, as usual, alone, locked in the same aquarium, even if we could jump in the ocean. The main guilty parties of the mistakes made, of the situation in which we were in, were no others than ourselves. World technocracy has decided. And no Romanian voice was there. At Crans Montana it was already too late: the banquet was served!

We insisted on this critical aspect in movement of societies. And that is because Stalin himself said: “communism will rise to power through free elections.” For now, the percentage of ex-communists in elections was: 1990 – 66.3%, in September 1992 – 37.9%, in November 1996 – 21.5%, in 2000 37.0%, more than in Russia or Slovakia. And the “capitalist” western makes conversation with the second generation.

#### 4.4 Principles, exigencies, restrictions regarding globalization

Globalization is an element of contemporary economies. It does not include the whole of the economy, rather only a few geographical areas and fields, and the majority of earth’s territory at best. It is manifested through various forms which we will all, for now, “global capitals”, for an easier comprehension.

Global capital is a state of fact, a form of existence, of manifestation of an economic phenomenon. It has no principles. It only has one term of existence: **maximum profit at any price, anywhere, all the time.**

We have two elements on global phenomena: the subject (global capital) and the object (the population), whether from areas of origin of the global capital, or from its area of profit.

We can have global capitals anywhere. So, capitals from the Dutch Antilles became the main investor in Romania this year, until the date of publishing. Whereas this capital is actually the one of LNM Holdings NV, which bought Sidex Galati. We see global capitals of regional

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178 Alexandrescu, S. 1998. *Paradoxul român*. București. Ed Univers

interest: Mol in Hungary, for example. We shall have to look for the area of origin of the respective capital before any judgments of value can be emitted.

Global capital in itself has no importance. It becomes observable through effects which it produces and its origins. The effect is in the area of origin: he drains profits here, under the shape of the population's purchasing power bound to this capital, but mostly because of the strength which it gives to the respective state. Its origins reveals which was the "accumulation" which allowed for the transformation of a usual capital into a global one, because, either regional, either broader, global capital exists only if it surpasses the critical mass point.

Alone, global capital can go unnoticed. From the perspective of the effects and origins it becomes noticeable only when it surpasses a certain mass, expressed by a critical number, which determines the area of action in changes within the economy and the lifestyle. So, we have "rich" countries and "poor" countries in global capital: some where life becomes rich and others where it becomes poor, because of it, for a certain number of inhabitants.

**The main exigency** seems to be the restraint of state power, so that global capital can be free to obtain maximum profit in any conditions. This exigency is fulfilled by rich countries, which have great accumulations and thus they can afford to give up protectionism, but only as long as their interests are not threatened.<sup>179</sup>

**The main restriction** is the existence of the state which guarantees, by the general framework or by particular actions, its freedom to act. This restriction is fulfilled by countries with small accumulations or debts, even great debts, which do not have the force required to maintain the protection of the national economy. Without the state as a nation, global capital would only gain normal profits. By using nation states one obtains maximum profit, of a global-monopolistic type. The strength or weakness of the states is usually manifested by international structures of a regional and quasi-modal fashion. A particular form is represented by financial capitals on international markets. These are nothing more than monopolies or cartels by main states which own technical networks and allow for the manifestation of global capitals. The concrete movement of global capitals is made possible by mercenaries called technocrats. Once entered in the field of wealth, they act globally, under the sanction of the disappearance, in the case of not maintaining required performances by the global capital which employed them.

**Romania** does not possess enough accumulations to be an area of origin, only for complacency experts. Since 1990 the existing accumulation is continuously decreasing, which makes our passage into the ranks of the wealthy highly improbable. The Romanian state is weak, with an inclination towards isolation (loneliness in the multitude of international partners!).

**Exigency:** stopping the loss of accumulations and realizing new ones and at the same time the strengthening of the role of the state. The main means for doing that is making the population aware and using it; encouraging and protecting, and developing a national aristocracy and technocracy of a global type, and not a race of prodigal sons.

**Restriction:** the conditioning of the entrance of global capitals on the Romanian markets; instituting "usage taxes" for the benefice of internal accumulation. The main means is the stoppage of dissention and the concentrated action of the dominant population within the nation, both in the country and abroad.

## 5. Romanian tourism: endeavors and mutation from the perspective of globalization

In order to find the principles, exigencies and restrictions regarding the integration of Romanian tourism in global structures of world tourism, we must make an analysis of the past situation by taking into consideration and research both periods: the communist period, when Romania was among the first of 15 tourist destinations in the world and the transition period. We will use the first one only as an element for discussion, because the political system is completely changed. The second one, we will use as history, because what interests is the actual and future

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<sup>179</sup> see the recent communitarian – American different concerning steel

situation. The analysis was hit by major obstacles: a lack of comparability between statistics of the two periods (both from the Ministry of Tourism, the National Statistics Institute, the National Archives and other various international structures), especially cost, as time and money and access to them, obstacles which were added to difficulties of all sorts for access to situations regarding stock holders, capital structure, the volume and the nature of the investments, especially external, economic and financial situations of stock holders and firms, future strategies. Many of the latter have been collected by the Commerce Registry and in the rapid rhythm of changes in Bucharest, might not be actual at the date of publishing. Anyway, the trends were correct at the time of the publishing. We had to insist on the 1990-2000 period, because, thanks to the unique turn of events, the passage from socialism to capitalism, it also explains the position in which Romanian tourism and the database must act.

Tourism should be analyzed under all its aspects: incoming, outgoing and domestic. Internal tourism represented the bulk of the tourism activity, even in the top years of international tourism – 1975 to 1980 – did not surpass 31%, (source: tourism accomplishments in the year.....edited by the Direction of planned finances in the Tourism Ministry), most of the activity being included in the global trend. Departures abroad must be considered differently according to periods and even within a period. We will only refer to internal (domestic) tourism and leaving abroad only as they are connected, they influence or explain the evolution of international tourism, where we find the phenomenon of globalization. We find rare exceptions, and as a potential and perspective in Romania in the first two tourism sectors, both being marked by low purchasing power of Romanians, as a mass, not as exceptions. We only remember that departures abroad through tourism agencies do not surpass 1% of the population. The rest is informal tourism, inaccessible for research, only perhaps by field investigations.

To maintain comparability with international tourism, we will begin with a presentation of indicators according to TSA principles<sup>180</sup>:

2003	Romania			Central and Eastern Europe		World Total	
	ROL billion	% in total	Increase (1)	% in total	Increase (1)	% in total	Increase (1)
180 Indicator							
T&T personal interest	63233,9	4,6	6,2	6,8	8,7	9,9	2,2
Business tourism	13165,3	...	-1,6	...	-0,9	...	0,6
Government expenses	3679,8	1,4	5,1	2,4	6,2	3,9	2,8
Capital investments	27052,8	8,2	5,4	7,9	6,4	9,6	2,8
Exports towards visitors	21930,4	3,7	11,5	8,5	12,0	5,9	3,0
Other exports	13898,3	2,3	12,1	3,9	11,6	5,3	8,9
T&T demand	142960,0	...	6,6	...	9,1	...	2,9
T&T industry GDP	25648,9	1,4	4,5	2,0	8,6	3,7	1,1
T&T economy GDP	104139,0	5,8	5,1	7,7	8,2	10,2	2,0
T&T industry labor force (3)	116,2	1,2	0,4	1,5	2,7	2,6	0,1
T&T economy labor force (3)	466,1	5,0	1,0	5,8	2,7	7,6	1,5
<b>2013</b>							
T&T personal interest	175932	5,3	3,8	9,2	6,0	10,8	3,7
Business tourism	45023	...	6,1	...	7,0	...	3,7
Government expenses	9223	1,5	2,7	2,6	3,8	4,1	3,0
Capital investments	66738	8,3	2,6	8,3	4,3	10,1	4,3
Exports towards visitors	85253	5,3	7,3	9,1	7,8	6,0	7,1
Other exports	36790	2,3	3,3	4,1	8,0	5,4	7,2

180 for indicator contents see Annex 102

T&T demand	419062	...	4,3	...	6,6	...	4,6
T&T industry GDP	78833	1,8	4,8	2,7	6,6	3,8	3,6
T&T economy GDP	301673	1,6	4,2	9,9	6,3	10,8	3,9
T&T industry labor force (3)	154,5	5,9	2,9	1,9	3,0	2,8	2,2
T&T economy labor force (3)	585,1		2,3	7,5	3,1	8,4	2,4

(1) Real growth adjusted to the inflation level; (2) annual growth adjusted to the inflation; (3) thousands of workplaces  
Source: WTTC, the 2003 Travel and Tourism Economic Research, www.wttc.com

Romania has an increase of the contribution of the industry and economy of T&T to the GDP which is higher than the world average, but which is smaller in brute value, indicating the reduced contribution of tourism in creating GDP. Romanian international tourism is far away from the role of tourism in developed countries or countries which are reliant on tourism, and the inferior position within the countries of the former soviet block denies the slogan regarding Romania's tourism chance, or at least its benefices until 2003. The bad situation is maintained for the preliminaries of 2013, even of the growth rhythm will surpass the global level. We must note that the labor force in the tourism industry in 2003 is more numerous, perhaps due to low productivity. In structure: business tourism is in an inferior position, which can also be stated through lamentations regarding the dodging of Romania by foreign investors; of course, this is supposed to be a result of the evolution of the economy, but field research reveals that the material support is either insufficient or does not correspond with the needs, as well as the fact that Romania is lacking from the business tourism environments. Government expenses are revealed in the same way, with a direct impact on tourism performances. And conclusions are similar for other positions as well.

Still, international Romanian tourism known other attributes as well.

Number of tourists:

Year	1970	1975	1980	1990	1995	1998	1999	2000
Market quota - % world	1.38	1.68	2.34	1.43	0.96	0.77	0.79	0.47

Percentage of the income:

Year	1970	1975	1980	1990	1995	1998	1999	2000
Market quota % - world	0.32	0.62	0.34	0.04	0.15	0.06	0.06	0.08

Source: WTTC, the 2003 Travel and Tourism Economic Research, Tourism Accomplishments during 1970 – 1981, yearly edited by the Direction of Planned Finances of the Tourism Ministry

A first temptation would be to make a linear comparison on the coordinate of time. Unfortunately, that is not possible, due to different systems. Brute numbers must be correlated, so that we will remain on the trend of percentages (market quota). A possible calculus can be made on the average income per tourist. Unfortunately, contemporary statistics are not so analytic and more importantly, certain. Between 1976 – 1979<sup>181</sup>, 20% were “contractual” tourists, which came through ONT Carpati, ONT Litoral, ACR ITIA or Intercontinental; 41% were on transit and 39% were on their own. Income was 49.7% of contractual stocks and 50.3% of individual tourism. Income in free currency were 70%, although tourists from “brotherly” countries were 50% of arrivals, but at CAER named prices, most of them being bound for the seaside or in transit towards Bulgaria (the percentage will increase towards the 80s, as the number of foreign tourists decreases). Brute sales tariffs (we will limit ourselves to Germany, which restarted (?) its organized sending towards Romania, this being the same case for all other western countries) were close to 750 – 1000 DM for Neckerman, a hotel in the A category, half bord (with 100 DM cheaper than B category hotels) whereas the net according ones, between 222 – 280 DM of which

<sup>181</sup> what follows has as basis data published in “Realizări din turism în anii 1970 – 1981” annually edited by the Planning Direction of the Finance Ministry and saved in private archives.

86 – 100 DM represented the cost of flights (which basically meant TAROM) and between 136 – 180 DM for ground services. We now further argument what we said in the chapter where tourism is a social pact, proving that the price of a holiday for a tourist in a western country was symbolic, as compared to his income, so it was hard to establish who won and who lost. An analysis of the consumption basket is irrelevant because data is not comparable. One thing is certain: at the beginning of the 70s, the life standard in Romania was very high, much bigger than in the other socialist countries and close to Western Europe. Mass tourism lead to a big consumption by categories at the base of the pyramid, so that, at that time, it was hard to find substantial differences: the Romanian market was full of goods, including imports. Differences were made in infrastructure – although everywhere constructions were in abundance – and especially the rhythm of development. This was however harder to notice by tourists (most of them remaining on the seaside) as well as the hosts. In exchange, the lack of liberty of expression and movement was obvious. After 1974, things change rapidly; the situation in Romania quickly deteriorates. We underline the idea that most of the income was repatriated, either by tour-operator commission (German in our case), meaning  $750 \text{ DM} - 222 \text{ DM} = 528 \text{ DM}$  to which one ads goods from “shops”, specially imported, at the request of the tour-operator from the country of origin. Even at the height of international tourism (1970-1980) it only accounts for 5.7% in 1970, 4.4% in 1979 and 4.9% in 1980 from the total export of goods for Romania (and 4.4 – 4.5 – 3.7% on the free currency relation) a higher percentage being registered for socialist countries according to the CAER report (still, one must mention that arrivals from the USSR were the main arrivals of tourists in the extra-season). This makes explainable now, the opposition of the Ceausescu family concerning tourism. From their point of view, the “evil” brought by contracts between locals and foreign tourists did not justify the currency report. As soon as they were not compelled to maintain relationships with the world (at the same time that relationships with the IMF were broken), restrictions blocked arrivals from the west, basically obtaining the same currency ratio from purchasing of goods trough vouchers and financial transfers from relatives in the west towards Romanian counterparts, and this while Romania’s external image was that of a starving country, a real situation in the last few years of the dictatorship. Eastern tourism circulation, still under CAER accords and under the pressure of the absence of a warm sea in EDG, RSC, RPP, RPU and the USSR maintained at the same levels, although the balance of clearing was unfavorable on RDG, RSC relations, and slightly unbalanced with the USSR and the RPU. Not even as the occupation of the labor force, international tourism did not bring very great profits: most of the lodging capacity being on the seaside, tenths of units had to specially dispatched, just for each season. Domestic tourism, accessible at that time to Romanians, leads to a stabilizing of the

working force and an occupation of the available labor force in a looked-after activity.

After 1990, available statistics are not so detailed. Moreover, contractual tourism was mostly symbolic. The few Romanian agencies which operated on the Romanian market had low incomes. Large tour – operators ignored this market. Personal relations with various tourism enterprises could not substitute the flow from the former socialist states, whose tourists migrated west, this market being lost as well as the market for the export of goods and services. Western tourists, during the first years, were mainly journalists, people which came with supplies, small or occasional real investors, which made trips between their country and Romania (being enumerate anytime at the border) in order to keep going the required business. The carousel of the 16 ministers or state secretaries which followed since December 1989 as tourism ministers, were not able to remake Romania’s international connections. On the contrary, Romania’s tourism image was deteriorating. But foreign tourists have retaken their visits, following the call of a destination which is still disorganized, expensive or inhospitable (except for inhabitants). After the year 2000, the tourist flow in Fagaras almost came back to normal, some tour – operators of a medium size have taken back their activity by working directly with suppliers, which they known; new forms of tourism appeared (bicycles, rafts, donkey trails, etc). At the beginning of the 90s, the effort of Romanian agencies was directed towards departures abroad, for which there was great demand. In business tourism, they played a role of tick – companies, like in industry, by existing relations among patrons of agencies and hotel personnel, still with state managers, unstable in their jobs. In the last few years, by eliminating visas, tourism agencies are restructured, are forced to look for new sources. There have been interrogators for internal tourism, Romanian agencies became the Romanian division of medium tour-operators or groups of operators, especially from Turkey and Hungary, some agencies were resigned to reselling, others still profit from the transport for black labor in western countries and, finally, some, with a few accumulations, began to be present at international tourism fairs, with a brand “new” face. So, we assist at the same time at a penetration of the market by western tour-operators of medium size which opened agencies directly or subsidies in Romania, expecting a soar of international arrivals (?)

We should make a medium income per tourist as well, but that is irrelevant for the last period, most of the tourists being individuals or drivers in transit after the outbreak of the war in Yugoslavia. We speak only well about the dead, but we will come across their heritage!

The last period:

Year / Country	GDP 2000 mil USD	% GDP total 2000	Popu lation 2002 Thds	% Popu lation	% GDP tourism income	Tourism income mil. USD					Market quota %				
						1990	1995	1998	1999	2000	1990	1995	1998	1999	2000
Romania	32748	0.01	22585	0.36	1.11	106	590	260	254	364	0.04	0.15	0.06	0.06	0.08
Bulgaria	12277	0.04	7790	0.13	8.74	320	473	966	932	1074	0.12	0.11	0.21	0.2	0.2
Czech Republic	54561	0.16	10250	0.17	5.26	419	2875	3719	3035	2869	0.16	0.7	0.84	0.67	0.8
Hungary	54371	0.16	9867	0.16	6.3	824	2640	3514	3394	3424	0.31	0.65	0.79	0.75	0.8
Poland	163236	0.47	38542	0.62	3.74	358	6614	7946	6100	6100	0.14	1.6	1.8	1.3	1.8
Slovakia	22471	0.07	5408	0.09	1.92	70	620	489	461	432	0.03	0.15	0.11	0.1	0.1
Croatia	22538	0.07	4657	0.07	12.24	1704	1349	2733	2493	2758	0.65	0.33	0.62	0.5	0.6
Slovenia	23177	0.07	1983	0.03	1.13	721	1084	1088	954	957	0.27	0.27	0.25	0.2	0.2
World total	34409 Billion.	100	6211 mil.	100	1,39										

Source: WTTC, the 2003 Travel and Tourism Economic Research

Numbers are revealing for former socialist states. And yet we must see more deeply. In absolute numbers, we can observe an increase of incomes from international tourism, however unequal. While Slovenia has a slight increase, the Czech Republic, Poland and Slovakia register real explosions. Romania, Bulgaria, have significant increases, of over 3 times (we must take into account the base from which we start) and Croatia, in spite of the war, recovers rapidly. Romania

is grossly disadvantaged, this being the legacy of the Ceausescu regime, as we have shown above. Market quotas follow the same trend only that Poland manages to surpass 15 of total global income, while Hungary and the Czech Republic are coming close. Moreover, the Romania – Bulgaria ratio is 1 to 3. It is hard to understand how a country of 22.6 million inhabitants, meaning 0.36% of the world’s population has only a 0.01% contribution to global wealth, whereas small countries, as Slovenia (0.03% of the population and 0.07% as contribution) are followed by those which do not have a quasi-equilibrium ratio between the percentage of the population and world GDP contribution. Only Bulgaria “accompanies” us. However, if we are to compare market quotas with GDP percentage of the respective countries in world total GDP, we will notice fragrant discrepancies, which can hardly be explained, revealed also by the percentage of tourism income in the total GDP of the respective countries. In addition, tourism GDP contribution varies according to nation, from 12 to almost 9% for Croatia and Bulgaria – which reveals a dependency on tourism exports – to 5-6% in the Czech Republic and Hungary (but in real value almost 10 times bigger). Poland is in a similar situation to Romania, in terms of ratios, but obviously better at performances. The exception is Slovenia, where, although tourism indicators are good, the economy seems orientated towards other types of exports.

Anyway, all considered states are included in the area of small tourism beneficiaries, although at a given moment some of them were included among the top 15 world destinations. Although the Romanian economy was considered, as being much stronger than that of other former socialist states we actually see that it does not perform well at all, a situation made eloquent by the value of GDP per inhabitant or by tourism income per inhabitant.

	PIB-loc	PIB/loc.	Income from
USD		ppp (1)	tourism/inhabitant
<b>Romania</b>	1460	6422	16
Bulgaria	1544	5866	138
Czech Republic	5312	13993	280
Hungary	5455	12484	347
Poland	4228	9062	158
Slovakia	4162	11250	80
Croatia	4843	7615	593
Slovenia	11660	11250	483
World Total	5632	7416	77

(1) in recalculated prices according to purchasing power

Source: WTTC, the 2003 Travel and Tourism Economic Research

There is another conclusion now: we are low below the world average and countries with few inhabitants manage to gain huge amounts from tourism activity. Moreover, we notice great differences calculated by the WTTC between the arithmetic average of GDP/inhabitant and the same amount adjusted by the purchasing power. The only country close to “normal” is Slovenia. In the rest of the countries, we can affirm that the difference comes from subterranean economy as well, where tourism plays a major role. Correlating data presented in the situation gathered from the TSA we may conclude that using derivate data (rhythm, percentages, trends, etc.) may mislead, if it is not doubled by an analysis of effective values.

In conclusion, although we have a rich and beautiful country, gifted by nature for tourism, it...is almost absent!

## 5.1 A brief post-December history of Romanian tourism



We are too close to the events to have a realistic perspective. Tourism itself followed the general movement of the economy and society, traveling through all stages. We identify a few particular moments in this field:

- December 1989 and January 1990 were the months in which anti former security system's pressure was stronger in tourism, workers here were in contact with security organisms and, according to the law then, regarding the regime and foreign relations. Tensions were nevertheless calm, and solved relatively easily, given the life experience of tourism personnel. Moreover, whole areas did not have this problem, only at the management level of the enterprises.

- Spring of 1990: the contact with foreigners which reached Romania, with foreign dignitaries which visited our country, and which, volens nolens, were passing as tourists and have given a plus of information concerning the possible future.<sup>182</sup> The tourism ministry entered in disarray, ambition and wrong decisions were rolling according to each minister, which stopped the normal activity and transformed this into an order-obeying society. Still, at the same time, there was a movement which tried to profit from Romania's excellent image after the Revolution – which could surpass the lacking in the material support and services – and to reenter in international tourism in full swing. More meetings were organized to put the reforming of Romanian tourism into practice.

- Autumn of 1990 until the end of the decade: the passing of law 15/1990 and the HGR 1228/1990 which gave tourism a new direction. Anyway, after June 1990, a great occasion for re-launch was lost. At the beginning of the period there have been forces which had the capacity to realize a normal development and even privatization. Patronages appeared as natural actions, hotel associations, tourism agencies, etc. which later will be reorganized by government structures, mostly. Then, as the direction towards which we were heading became obvious, primitive accumulation had begun, of a classic, post-war era, but more simple due to socialist propriety which belonged to the entire nation and no one actually. The system of management by location became a means for gaining propriety or money laundering and tick – enterprises became profitable. The disastrous effects were consisting from the stealing from units and the abandonment of several units to degradation, either for the goods themselves, either them being reclaimed, either for future purchasing. 1991 and 1993 are the booming years for departures abroad. The HORECA system had several managerial shocks (CIS; CIMS; AGA) but also generated by dilettantism (?!): rooms for 1-2 USD, at exorbitant prices, etc., “reclaiming” by propriety from the PCR. BTT or UGSR bases, until the timid forms of privatization, *in expectance of foreign investors*. ANTREC and Villages sans Frontieres show up, and they launch tourism in rural areas. In the second part of the decade, transnational firms enter on the market. But Romania lacked political will, a plan, and a strategy for tourism. The interface with international tourism, with the markets was inexistent, in spite of real opportunities.

- After 2000: in lack of foreign capitals, the selling of actives begins, of which, in spite of efforts made for transparency, very little is known. The result was concluded in using the seaside in the summer of 2003. At the same time, transnational societies continue to penetrate the market, and a long series of local societies begin, and some finish more important investments, although financial scandals are becoming numerous, but are dealt with discretely. Romanian tourism is still afloat. We shall analyze the main problems of Romanian tourism, which are directly linked with globalization, which can influence its destiny in tomorrow's world. Starting from the past, by the present towards a possible future.

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182 Romanians work 500 hours more, in average, than employees in European Countries (report of the International Labor Organization concerning labor productivity). In Romania, the average number of hours worked by year rises, according to the Labor Code, to 2000, while in France and Germany the same number is 1400-1500 maximum. This happens due to poor industry development, which sets Romania back compared to other countries concerning labor productivity. The study reveals that the annual number of working hours is strictly bound by labor productivity, which is higher in industrialized countries. For example, Ireland, which due to performing technology, reduced its annual working hours from 1668 in 1980, to 1668 in 2002. This means that, although Romanians work as hard as the Irish in the 80s, their productivity does not match the Irish one due to outdated technology with which they work.

## 5.2 The notion of safe destination (Romania's image as a destination).

The practice of areas with intense tourism revealed that we must begin the analysis with the analysis of the tourism destination. We will try to find the real actual situation, the causes which lead to it and the possible exits from the blockage. We shall have to define **what a safe destination means** and whether or not Romania is among them. **“Safety” of a destination depends on political decisions.** London or Paris or New York is more dangerous than Bucharest. And yet, in internal or public bulletins of state structures (The Department of Foreign Affairs' circular letters) or professionals, the situation is different. There are not numerous cases of travel cancellation, from passenger initiative, due to events there. Even a decrease of traffic after September 11<sup>th</sup>, was mainly due to state measures: the decrease in transports and the hardening of the checking, rather than due to lack of demand.<sup>183</sup>

Romanian politicians have made a series of issues due to the mining riots. Whereas their influence on tourist arrivals in Romania was basically null and void: first of all, the number of tourists in Romania was insignificant (except those from close areas, journalists and businessmen which knew the situation well); then, Romania was not at the same time neither an international tourist destination, because no major company operated here. We can not blame the mining riots exclusively, or street violence, etc. in tourist countries, conflicts are often bigger, but with no influence on tourist activity. Let us further highlight this: the explosion of bombs in Paris did not lead to a decrease of arrivals in France, but Ocealan “destroyed” arrivals in Turkey for two years: *trust is a function of the attitude of power, or powers.* Turkey is not France!

Tourism is the “visiting card” which is the most persuasive (governed by the principle of the Apostle Thomas: “let me feel with my hand, see with my eyes”), cumulating political, economical, social and cultural opportunities.

**Romania's image abroad.** Being a tourist destination implies inspiration, and prior to that **deep trust: tourist trust, government trust, and mass media of the issuing countries.** This is gained by two major ways: gathering information in the country of destination and broadcasting them in the issuing country; observing and broadcasting observations regarding the behavior of the citizens of the receiving country in the emitting country.

**Tourists:** after the 90s, we had foreigners with supplies, officials, businessmen for testing or for testing their luck, workers of the media. **The classic, holiday tourist, disappeared** as ONT “Carpati” disappeared without being replaced, as the political will also disappeared in this domain. In the service sector, the so called sunken capital – enters in the initial investment and basically is no longer recuperated, ever, according to classical thinking – it is essential and a prerequisite, but small private Romanian firms did not possess it and no one helped them accumulate it<sup>184</sup> – especially state structures through economic mechanisms and diplomatic assistance. For example, at the Berlin tourism fair in 1993, 1994 and later, **foreign tour-operators basically had no Romanian counterparts:** “the former” ONT Carpati was no more, “the new” were unknown and speaking mainly Romanian. And the offer...whereas a presence at TIB is expensive, and state effort, for what it's worth, was wasted or counter-serviced. And this in a well-structured field, with rules which are thought in hundreds of schools! **Romania was completely inapproachable:** even if we would have this handicap, the influence of official people is negligible, because it was eclipsed by the position of influence groups from issuing states. In the same way, information which circulated due to businessmen which came to Romania.

**Mass-media from the issuing countries:** journalists in Romania did their job (and at least our journalists and diplomats knew the rules, but had no reaction: actually a lack of reaction = complicity!): they gathered their news, news which sold their paper, in their country. No charity

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183 See Rotariu, I - *Romania who did tell lies?* prepared and sent to the Grenoble seminar organized by Reporters without borders, March 1990

184 IATA report – Bangkok Meeting – January 2002

was involved. We can not hide and blame international mass – media for our wrinkled image. We must act, as the Arabs and South-Americans have acted, etc. as German Turks forced the Germans to adopt them, including after street fights! Vertical attitude is thought; Moses gave it 40 years in the desert! Because **living people communicate**: with what can the tourist which returns home brag if he can not say to his friends: “wait, it is not how they said on television, I was there, I have seen...” And there is no **tourism without image**. And it is not journalists which make the image of a destination, rather the political decision put into practice by the crowd of citizens. Tito fined drivers if they did not give absolute priority to foreigners or they were unkind with them! This is how the Yugoslavian seaside was launched in the sixth decade! The characteristic of these years regarding Romania’s can be resumed in such a way: from the Gavroche of the revolution to the kingdom of the gypsies and handicapped trough corrupt billionaires, made from cardboard, the “second generation”. (These words are hard for me to write, but they must be written!)

We do not insist on the **position of the governments of emitting countries**. I am convinced – and it can be easily proven, that Romania was boycotted as a destination – that they themselves have been surprised by our lack of reaction, many coming to be “convinced” by the truth of intoxication messages commended by them. It comes as a surprise for them as well, Romania’s obedience to commands regarding trips of Romanians abroad and the installing of the “sanitary cordon”<sup>185</sup> and even further: Romanians before 1989 had the highest percentage of travelers abroad as reported to the population of socialist countries, we were in a country of a departure typhoon. Actually, the “visa battle” was one of the hardest!

Moreover, we must add something more: **the effort for information, for education in the spirit of dignity**. The “swan” episode in Vienna<sup>186</sup> is still the consequence of tourism ignorance or neglect. An educational system must educate you on how to travel as well! In the 70s, 80s, but even now, citizens of the United States – mostly those on missions, both unofficial or private – showed you, if you were lucky enough to open the subject, brochures which they would get from tourism agencies or specialized structures regarding their attitude and behavior in the country of destination, going all the way to clothing dignified for a US citizen. On the internet, on the site of the State Department, this does not only reveal actualized information concerning traveling conditions in most countries but also advice concerning the so called adequate attitude. Where from can we support such effort? From 1990, in stead of the instructions of security or the ONT we have tenths of tourism units, thousands of graduates, hundreds of agencies. No one was born enlightened. Customs are achieved! Aside from the effort for “privatization” of the material basis, we must open a front for the dignified EXISTANCE among people! The results, no matter what the cost, will be cheaper than losses trough emigration and the loss of the national sentiment.

In a short version: **if we desire tourism – and we must make tourism if we want to survive in the global world – then we must first have a plan for the image of the country and the people**. Work is required, but you can not exist in the post-industrial society, without living at GLOBALIZATION STANDARDS: this is the path. Otherwise, *we may be used as a tourist curiosity as the aborigines are used in some countries*. And image is not given by the whole of a country. Where there is no, substance and deeds, there is no image.

This is only the starting point in the laborious work of constructing the tourism destination. There are rare exceptions: a few locations with centers for tourism information, a few internet sites, etc. are not even the beginning. We must make a passage to school and learn how a tourist destination is being organized, then to get to work. Let us not forget that most tourists only come back after several years, so they can not observe short term changes. Neither can the locals, living here every day. But a traveler will immediately notice the commercial quarters which have been face-lifted, but also the appalling final floors of flats. The aggressive behavior of the street and the explosion of villas and holiday houses make them think of us as a “banana” country. And, by

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185 things were rather different in other transition countries

186 for 85 states Romania is a “sanitary cord”, imposing draconic measures to stop the arrival of the citizens of those states in Romania, from where they could go to the E.U.

giving neither a western, nor an exotic image, we become common for international tourism. And the explanations of the guide regarding the anthropoid patrimony will be confusing. Whereas western tourists consume, they do not research, do not discover, even if the tour is called “discover Romania – simply surprising”. They “live” the contents of the safe destination, specially built for them. These are the places picked by their tour-operators, which take no chances, not for anybody’s sake.

### 5.3 Tourism “Theory” as a chance of an economic re-launch during transition

Almost all politicians and political programs were saying, after 1989, that the two chances of Romania developing are: tourism and agriculture. They have been strongly supported by foreign officials in visit here. If for the common man, this affirmation seemed believable, for economists and businessmen it had to be a warning signal and for politicians, the time for some explaining, at least in E.U. states. The complexity and roughness of the agricultural file are well-known: whereas a performing Romanian agriculture would have been added to the already existent problems involving special means of action. Still, in this field, there has been no entry within details.

Same goes for tourism. The chance of economic re-launch had to raise a few question marks – obvious problems:

- The period which we are passing is one without precedent: the passage from socialism to capitalism. The formula which we adopted, in lack of western support similar to the Czech Republic, Poland, Slovenia or Hungary, is of an American type, of free, even savage competition. In lack of a precedent, the reaction of the populace was hard to imagine: whereas in contemporary tourism, it is precisely **the population as a whole which is the deciding factor**;

- Tourism activity requires **a minimum infrastructure**: highways, railroads, aviation, at standards at least compatible with those of tourists’ countries of origins.

- For a normal offer (we deliberately left out “competitive”) **one needs an economy which can sustain tourism activity** at an international level. In spite of the difference in wages, almost all local elements of tourism products have prices at least at western levels, so that the final package can not descend to the acceptable level of the western market.

- Between issuing areas and Romania there has been a rupture of at least a decade, from 1980 until 1989, when incoming tourism was basically inexistent. The “reunion” was shocking on both sides. **Lack of communication** afterwards and the lack of western support for the state and tourism structures **lead to the idea of “deleting” the country as a tourism destination**.

- World tourism evolves in between developed countries. The quasi-total of studies reveals ever since 1985 that the tourism pole will shift towards the Pacific, on whose shores live over 100.000.000 millionaires. Europe entered the modernization of the entire “destination” ever since 1990. Whereas, the three European “bananas”<sup>187</sup>: the one in business tourism (London – Zurich and perhaps Milan), the seaside tourism (southern Europe, the northern shore of the Adriatic and Turkey in the wait) and that of the green tourism (rural tourism, following the north of Europe from Portugal all the way to Finland) were already well-drawn in the 90s. The fourth “banana”<sup>188</sup>, most theoretical, should have engulfed the European area of the ex-communist state, all the way to the Pacific and Siberia. Romania was supposed to be included in this area. But no worthy study ever surpassed the Budapest – Warsaw line. Ergo, on the tourist maps of the large tour-operators in this area one could write “hic sunt leones”.

- **The overhaul of the minimal infrastructure implies great amounts of money**. The only western funds spent for Romania were those for exploiting and consultancy. Most structures

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187 In 1990 Romanian gypsies - Rroma is a neologism introduced by the EU- caught and ate swans from a Vienna park which lead to a European scandal – it remained as an example of Romania’s lack of education, although it was in fact, just a bunch of gypsies accustomed to catching and eating wild birds, or, better said, without a present master.

188 G.Richards – *Innovation in cultural tourism* – ATLAS 2001 [www.atlas-euro.org](http://www.atlas-euro.org) has launched the “banana theory”, after the shape of major European tourist destinations.

with a decision in the tourism industry withdrew before 1993. If we also add the lack of a program (business plan) from the government or at a national level was supposed to put the “lapalissade” into question “Romania’s tourism opportunity” and to put into background the problem of the degrading of the tourism basis and by that, the privation of the population of their “holiday”, as an element of the standard of living and it’s obvious reaction concerning the passage towards “capitalism”.

**The propaganda accent which fell on rural tourism** lead to modest results. Moreover, the population begins to realize that this can just be an additive to the basic activity. Actually, most people, even those who work in tourism, still do not make a difference between rural tourism (holidays in the rural area, to avoid the rhythm of the cities, but in normal comfort conditions), agricultural tourism (holidays in the countryside, where one takes part in the life of the homestead, including agricultural labor), ecologic tourism (oscillating on the entire spectrum from ecology to ecologic nourishments, participating in sanitizing several areas. At the time of the publishing of this book, Romania only had two ecologic products acknowledged by the E.U.). Rural tourism reappeared in the western European countries mostly as an alternative, as a gauge, for the development of rural areas, but also a means of dramatic decrease in prices compared to the big cities; and today people prefer lodging in villages close to main cities, easily accessible by train or car or bus, due to better prices. Agricultural tourism is especially linked to the need of young inhabitants of great urban congregations to experience what they only see in movies or for third aged persons which desire to quench their youth nostalgias. “Concerning Romanian tourism, I must say that everybody here bows down to agricultural tourism as to a religious shrine. However, what makes tourists come to Romania is the basic hotel industry. They are the “base battalion” in tourism. Yet, I’ve been at an agro-pension in Dambovicoara which had no sound isolation for the cabin, and the owners had to get under the tourist’s skin...<sup>189</sup> Not to mention the evacuation of residues and residual waters...First of all, or at the same time, one must build utilities in villages and tourism units which are suppliers in villages. This as well as roads, telephones, post offices, even....electricity.

Still, in 1990 there have been efforts to put in motion a unified and coherent policy concerning the launching of Romanian tourism. Ever since then there have been several main issues. As example:

“Let us reveal the main forms of material base, without which the tourism activity would be impossible, according to their owners:”

- lodging units of the Tourism Ministry, public alimentation, transport, treatment, agreement, etc. and tourism agencies;
- Former units of the “Carpati” Trust, an integrated enterprise consisting of lodging basis, public alimentation, spare time, transport, as well as agricultural productive units, various crafting units, etc.
- Former lodging units, public alimentation and treatment of the UGSR, UNCAP, UICC, The Health Ministry and agencies of the Labor Ministry and the UGSR, UNCAP, UICC and the Health Ministry
- Camps and holiday colonies of pioneers, pupils, from the Ministry of Education
- The material base and tourism agencies of the BTT
- Hunting lodges, resting lodges, etc., hunting and fishing grounds of the Ministry of Forests and the Environment, AGVPS, etc.
- The material basis of various enterprises, institutions, associations, etc. the material basis of the Consumption Cooperative.
- The material basis of the Romanian Automobile Club – the general infrastructure concerning public transportation, intrinsic tourism patrimony represented by cities, villages, economic objectives, works of art, picturesque areas, paths, etc.

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189 Weisz, J.C. – vice-president of the National Tourism Association in France, director of tourism in Saint Malo, interview in Tribuna newspaper

- Cultural material basis, of any nature, of the various institution which take part in tourism
- Commercial units and providers of services destined for the population, as they participate to the tourism activity
- Material basis and the activity of associations, clubs, circles and other informal organization which take part in tourism activity: Salvamont, Salvamar, tourism clubs, etc.

Add elements which are the result of individual initiative to all this, as the result of a new legal framework, which will play a dynamic part, of completion and pressure in the tourism activity.

We believe that one can now make a clear separation, due to the complexity of the tourism activity, and that for now one can take into account only the solution of adopting several principles which would be the basis for the reconstruction of Romanian tourism and by which the activity of issuing tourism rules can be made.”<sup>190</sup>

It would appear that our appreciation was correct. The domain was too large for the new politicians and many of the elements of the material base have been lost along the way, leaving just eventual subjects for parliament interpretations.

**“Romania’s tourism opportunity” was and still is just an unknown slogan which is not really supported by any means.** It was a fake. At the time when Romania will build its own tourist destination – such as Thailand, The United Arab Emirates, South Africa, etc. – one can speak of tourism like an industry or an economic branch and all the effects which derive from such activities in the political, social plans, etc. until then the political will for such an action needs to be built. Meanwhile, especially air transport companies and global hotel chains entered Romania. But, as we shall see, their main target is business tourism and congresses (especially political).

#### 5.4 General tourism infrastructure from the perspective of world competition

We shall tackle a few elements of the general tourism infrastructure which we believe to be essential for the accession of Romanian tourism in the spectrum of global tourism.

**“Compulsory invisible infrastructure”** of which we mention only two elements here:

- **The capacity of the economy to generate income** for a sufficient number of people in order to include them in mass tourism. Otherwise, 80% of potential tourists (internal tourism) are lost. When we mention the assurance of income which is sufficient for tourism, we do not refer to the exceptional cases or the weekend periods, rather the entire tourist “basket” of a global type (similar to developed countries). We do not argue any further the perspectives of this idea, it is included in the concept of general development. The impact of a loss of 80% of tourists on an economy is obvious.

- **The existence of the social pact**, either implicit or explicit regarding the existence, within the life standard, of the holiday as a whole: rejuvenation, treatment, business, etc. On the contrary, we are falling into “trader tourism”, or grey or illegal areas, even if the nature of the ordinary Romanian makes him give up perhaps essential elements of life in order to travel. But, in this case, the “travel” is not tourism: *hospitality and leisure*, only tolerance from inhabitants of the destination for the so called tourists.

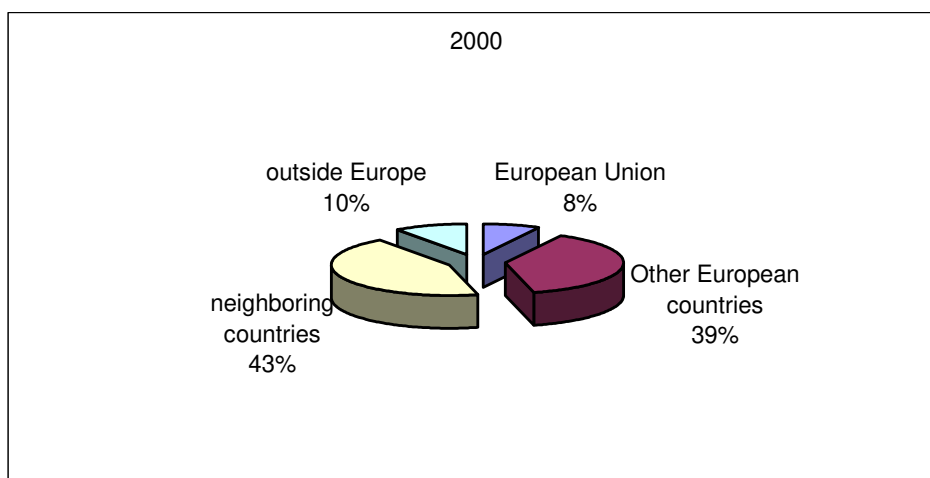
- **The legislative system** is essential for the good functioning of international tourism. One can not explain the hesitation and delay with which the Tourism Ministry adopted actual legislation, although the initiative of actors on the tourist market was timely and insistent. Even if there is legislation, even incomplete and lacking, its following is still just a desire, as is the collection of taxes for the state budget. Unfortunately, it is precisely the rush for budgetary income which cancelled a protective and flexible legislation, in accordance to the one in competing destinations and country of origin of the tourists.

##### 5.4.1 The transport system: incoming, outgoing, domestic

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<sup>190</sup> Ilie Rotariu – *Pentru reconstrucția turismului românesc* – speech at the tourism chiefs meeting; Ministry of Tourism – Hotel Parc București, January 1990

Statistics differ according to producer and period. We can still use them for our purpose. Where do foreign tourists come from?



Source: Romania's Statistics Yearbook 2001

From here we can already see the structure of used transport means. Short roads by car or train are the most frequent (43%). The car or bus serve European tourists very well, as for the ones from Bulgaria, the Ukraine or Moldova, the car or train are the most used.

In statistics presented lower we can observe the preponderance of **railroad transportation**, considered more accessible for the large mass of users and we may deduce by tourists as well, in lack of evidence or an independent worthy study, at least before 1980. Roads were under-developed, so that transport for medium and long distances was made by train. The wagon array and traction means ensured a good average speed and a normal comfort for the respective period. Still, for international tourism, arrivals on the railroad are rare, except for trains leaving the RDG and RSC, many in transit towards Bulgaria. For internal tourism, even after the development of the car array and the roads, railroad transportation was the main means of transport and due to the selling system, meaning cheap train tickets, bound by resting tickets. **The increase of the auto transportation** coincides with the opening of national car factories. Dacia and Olcit factories managed to create a hard core for the individual automobile transport. The ACR developed ITIA in 1968 (The Enterprise of International Automobile Transport) which took over car tourism, by entering in contractual relations with European clubs. The formulas used were very brave for that time: lodging coupons, technical assistance, fly and drive, car rentals, charter spaces in hotels, etc. actually, it is the only enterprise which was not taken over by ONT Carpati until of late; as an exception, BTT, surviving even today. In 1985, we lost the Danube Rally stage, due to lack of payment and lack of representation. Even today, we did nothing to change that. After 1990, the entering of transnational corporations was slow and local producers lost external markets as well. For the automotive tourism, the infrastructure is not ready even today – as it should be. The appalling<sup>191</sup> state of our roads, international, national and county roads excluded Romania from international tourism circuits. Only in the last few years, improvements became increased, but shy. In the infrastructure of automotive tourism one must include alimentation spaces as well, non stop services, including for Saturdays and Sundays, *communication system in cases of emergency*, safe parking, the signaling system, etc. The delaying of including Dacia in the global system as well as accepting some strange terms in the Daewoo affair transformed Romania in a junkyard for used cars. Rental societies, especially the global ones, have laid the foundation for new arrays of cars, but still small, due to a low number of solicitors. But reduced parks do not offer, in practice, the replacing of the car in a country; the non stop program does not function; as

<sup>191</sup> One can object that in Africa or Asia roads are even worse. We must compare this to a normal situation

is the problem in Otopeni, the issue here being the turning over of the car. Local purchasing power did not allow for the development of rent-a-car for the internal market (the warranty being anywhere between 400 – 1000 EURO). After 1970, the import of Iran National buses solved the international transport by coach. The park reaches 952 bus and small buses in 1976, with a transport capacity of 28205 people, meaning 9.5 million in inventory, and 5.5 million in active places, ergo a CUC (capacity occupation coefficient) of 58%, and a PMZ<sup>192</sup> of 96 km<sup>193</sup>, which transported 4.000.000 tourists of which 1.700.000 international traffic. Circuits concerning the western market manage to maintain several years after the fall of the seaside. After 1977, the usage of Romanian produced buses is forced, which are no good due to lack of comfort and a poor resistance to road quality (especially the air suspension and diesel engine, slow and noisy). We strayed even further from western norms which implied a toilet to be used, air conditioning, a bar, increased comfort. The same situation applies after 1989, a lot of times the transport by coach being dedicated to external trips exclusively or as a support for international transport lines, towards Germany, Greece and Turkey, and, for the moment, Spain, Portugal and Italy, bound by work contracts in the latter countries. Now we have surplus of small buses, but not those destined to tourism on medium distances (In Romania, the average PMZ for circuits within the country made tourists is between 250 – 300 km), and the parks of transport societies can not take on the risk of service or replacing a defective coach on the road. The EURO 3 norms will not only limit the exits of Romanian cars within the European area but risk of transforming the country into a pole of pollution, very hard to overcome in the actual western conception. Still, most arrivals are by car, partly – without a solid argument due to lack of statistical data – because of the structure of foreign tourists. Varant, a Turkish company of liners, remains the main transnational company which transits our territory. Transit is higher, raising concerns and issues at the border. **Air transport** know its peak at the time when Ceausescu was “the good guy”<sup>194</sup>, trough Anti-Moscow measures which he undertook, when arrivals in Romanian tourism were booming, perhaps as a reward of the chosen position. Most arrivals by air were made by Romanian charter planes. During the Middle East war of 1968, in order to overcome the boycott of Arabian countries towards companies which flew to Israel, the LAR was created, which was extremely profitable for several years. After 1990, the tourist aviation transport in an organized fashion basically disappears, although the air transport maintains at relatively high quotas because it is based mainly on business tourism (arrivals - departures), journalists, visits to relatives and official delegations. Still, traffic is modest as compared to that on airports in Hungary, Poland and the Czech Republic. The liberalization of air transport as a result of OMC accords brought Tarom into even bigger difficulties. Foreign companies took over most of the flow from and towards Romania, most of the west of the country traveling with Malev. A few private companies had brief spells, especially on the liner segment. Travels made by small aircraft, both foreign and local, became more numerous. The Constanta airport is basically lost for tourism transport, while new airports begin to grow, although modest: Timisoara, Cluj, and Sibiu. **Fluvial transport** for tourists consisted of the international traffic in the Danube Delta between 1975 – 1980. An ambitious program. The source: Romania’s yearbook 1980, issued by the Tourism Ministry in the last few years, but more importantly, private investments lead to the existence of the first tourist ships on the Danube and the Delta, where Simpa Tourism – Nouvelle Frontierre made several important investments. The problem of the Danube on Serbian territory will mark tourism ever since it began, and western companies seem more active. Even ground services are still lacking due to trends of monopolization. **Maritime tourist transport** is inexistent for now, due to lack of ships. Only yachting exists, and slightly develops. There have also been halts for international cruise ships, but it is premature to make any prognoses. The Constanta area has a low tourist offer, even for one day, below the level of other cruise ships halts.

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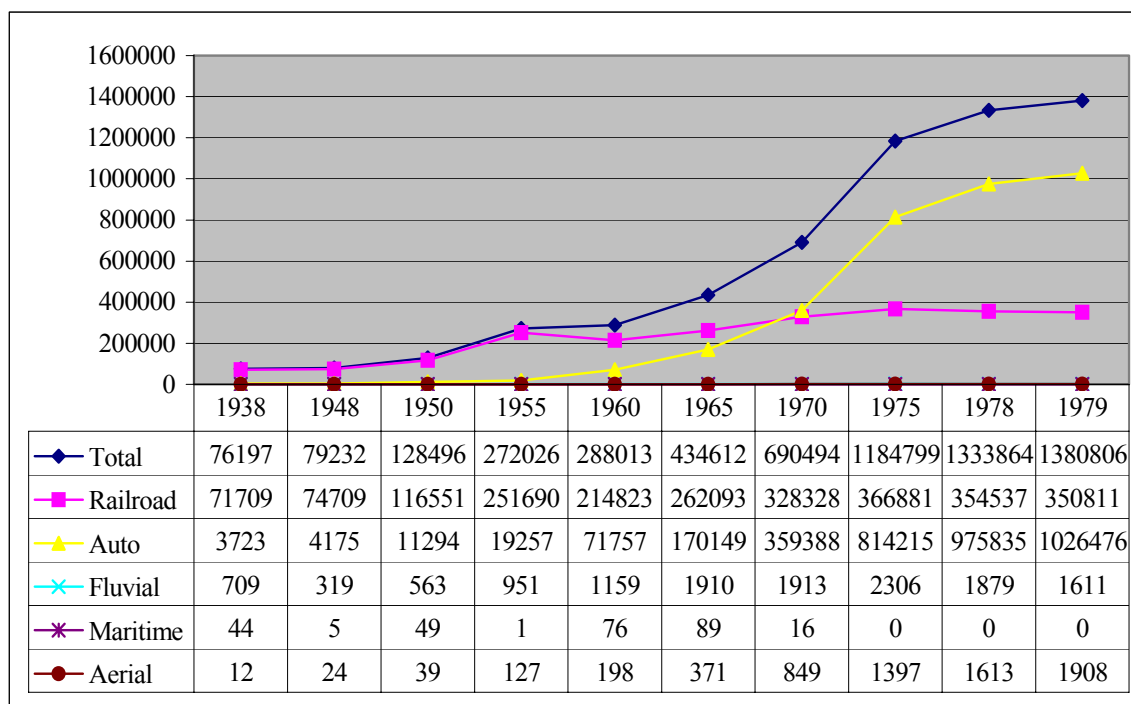
192 daily average distance covered

193 the international distance average is confirmed once more

194 “the good guy”



## Passenger transport by various transport means



Source: RSR Statistic Yearbook, 1980

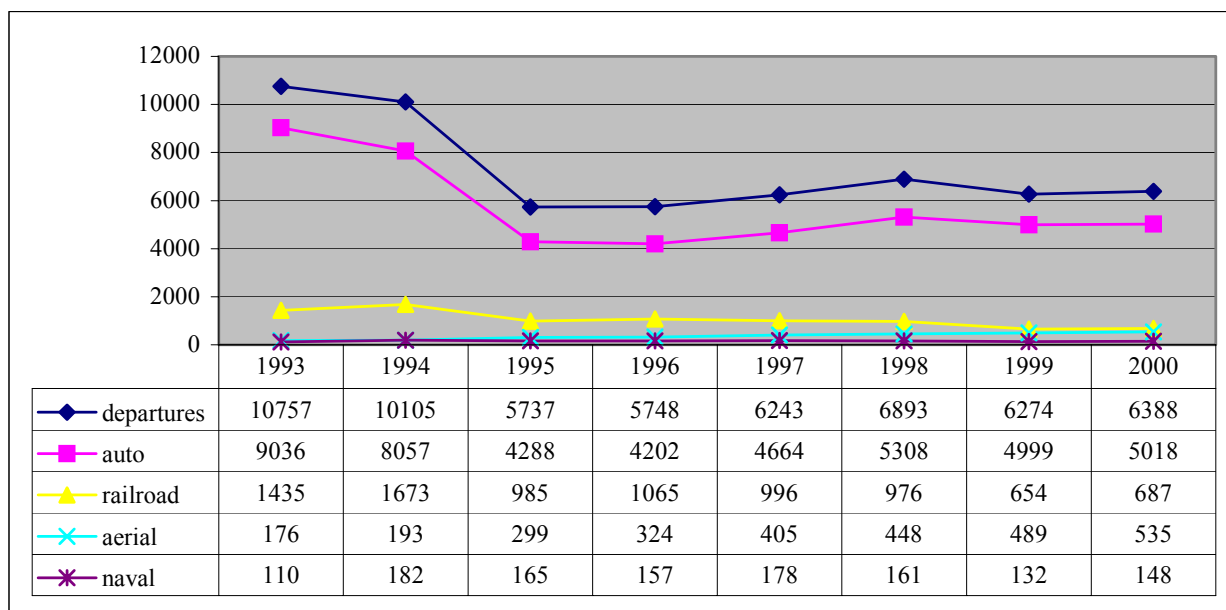
## Traveling (millions of passengers - km)

	1938	1948	1950	1955	1960	1965	1970	1975	1978	1979
<b>Transp. aerial</b>	<b>3</b>	<b>10</b>	<b>14</b>	<b>42</b>	<b>86</b>	<b>374</b>	<b>994</b>	<b>1894</b>	<b>2082</b>	<b>2754</b>

Source: RSR Statistic Yearbook, 1980

If we are to report these numbers to the number of tourists which arrived, we will notice that most of them came from countries in the west, where Tarom was basically the only transporter, as for the internal transport as well, during that time, and still functioning today, but with a massive decrease.

Romania's international tourism by means of transportation: arrivals, departures - thousands



Source: Romania's Statistic Yearbook, 2001

Note: between the two systems, the one before 1989, and the one after 1990, there can be no comparison. If we managed to recalculate the series, we will mention it.

In both arrivals and departures we can notice the predominance of car transportation, distances being thus towards central and western Europe, as well as Turkey and Greece. In arrivals, we have relatively stable tendencies, the air transport shows a slight rejuvenation, especially since 1995 when foreign companies introduced two flights and the night spending of the plane in Otopeni. The increase is balanced by a decrease on railroad transportation. Regarding Romanian tourists departing west-bound, after the "exodus to the west", following the Revolution, the traffic stabilizes. We also notice an increase of departures by plane especially due to (empiric observation) emigration and visiting the relatives. We must underline that the entire border passage is included in these statistics, not just tourists.

The evolution of tourist arrivals in Romania

Year	Tourist arrivals -Thousands-	Dynamics %	Annual rhythm on average 5 year periods
1966	676	29,5	-
1970	2289	100,0	29,1*
1975	3736	163,2	10,2
1980	6742	294,5	12,5
1985	4772	208,5	-5,3
1990	6532	285,4	6,5
1995	5445	237,9	-3,2
1996	5025	227,4	-4,5**
1997	5149	224,9	-1,1**
1998	4831	211,8	-6,2**
1999	5224	228,2	8,1**

\* Annual growth rhythm for the last 4 years; \*\* one year rhythm

• Source: MT Statistics; WTO Statistics: CNS, Romania's yearbook, 1998; CNS, Statistic information no. 4/1999, after Rodica Minciu - Economia Turismului

This series reveals one again the dynamics of border arrivals. But this is not the same with foreign tourists being housed in hotels.

The comparative evolution of arrivals of foreign tourists at border crossings and of those registered in housing spaces.

Years	Tourist arrivals -Thousands-	Dynamics %	Foreign tourists accommodation –Thousands-	in	Dynamics %	Percentage %
1980	6742	100,0		1196	100,0	17,7
1985	4772	70,8		1598	133,6	33,5
1990	6532	96,9		1432	119,7	21,9
1991	5539	79,5		1294	108,2	24,1
1992	6401	94,9		1185	99,1	18,5
1993	5786	85,8		848	70,9	14,6
1994	5898	87,5		856	71,6	14,5
1995	5445	80,7		766	64,0	14,1
1996	5205	77,2		762	63,7	14,6
1997	5149	76,4		833	69,6	16,2
1998	4831	71,7		810	67,7	16,8
1999	5224	77,5		795	66,5	15,2

Source: calculated after CNS, Romania's yearbook, 1998; CNS, Statistic information no. 4/1999, after Rodica Minciu - Economia Turismului

Differences are big and they indicate, possibly: a high transit theoretically made possible by shifting car transportation after the war in Yugoslavia, visiting relatives, small border traffic (although it is highlighted separately at border crossings) or housing in other spaces than hotels. Between 1980 and 1989 we have a real flow of tourists from the USSR, usually wives of troops stationed in the RPB and RPU, for whom we have no data, given the fact that soviet citizens were excluded from border control.

As we revealed already, without a fast and secure transport system, entry in the global sphere of tourism is uncertain. We have major issues on various branches:

- **In aviation**, a small number of airports, the existence of only one medium airport (Otopeni, Bucharest). The lack of landing equipment for high capacity planes for transcontinental flights lets us exposed to major aerial companies which can thus receive such aircraft. The only solution is "trans-border tourism" by connecting the 4-5 small and medium airports to global areas: Munich, Frankfurt and Vienna. It is clear that international tourism will mean costly investments for the assurance of security, including for local flights, which will make up for automotive transportation and railroads. The hardest problem is border permeability in the context that Romania took it upon itself to remain the "watchman" of Europe. Whereas all tourist destinations, especially the recent ones, are perfectly free. In Singapore, for example, the notion of visa is unknown and border control is extremely fast. But this means huge amounts of money in parallel control systems. Perhaps even harder to achieve than the processing speed is the atmosphere at the border, the kindness and "welcome" at the contact point. We are still a country in development and we can not afford the mannerisms like at the borders of the US or western countries, where the receiving is rough, yet polite and very efficient, from staff to serving travelers. The tight ladder on the arrival at Otopeni, gives you the feeling of entering an unknown world, possibly hostile, not the amount of freedom and safety at the tourists' home.

- **Automobile transport:** Romanians' automotive transport we have already revealed. The arrival of foreign tourists (mass tourism) is excluded as long as the infrastructure remains the same. On the contrary, in developed countries, like Holland (ANWB) automotive associations lead to real financial empires in tourism. Without the connection and the remake of relations with such structures the future of car tourism will not become international, rather remain between national borders. This is valid for departures as well, where the Romanian tourist is left astray after he passed the border (bound to the social contract and the respect of the state towards the contributors!). Whereas private operators, even with economic power, will not be able to exist globally without integrating themselves in the structure. The compulsory path is trough a national structure, then individually, according to interests. So, international transport can bring money, but from the local population, forced by problems within the country but also the need for labor force in Western Europe to travel, legally or not. We must reveal that all elements of globalization are present in the automotive transport. Of the powerful European lines, Touring is the one which

entered Romania by organizing local societies (Touring, Eurolines, etc) but also the usage of Romanian companies' through the system of bookings towards areas of Europe where they can not reach or the unofficial establishment of quotas, distributions on license lines, etc. Romanian transporters which came to be, some very strong, can not enter the global category until their clients are almost exclusively Romanians.

In a separate manner one must discuss tourist group transportation: either of small capacity (buses), either of large capacity (coaches). We have the legislation. But also a large grey and illegal area. The suspensions of the visas lead to the reorientation of major proportions in international transport. But international transport lines, without the connection to the booking systems, will become provider for powerful western lines. Internal tourist transport, for the foreigners, has two major weak-points: prohibitive price, the quality and insecurity of services: not only can a flat tire compromise the entire circuit, but also the safety and intensity of the traffic on a sub-dimensional infrastructure...

We come back to the idea that in slang "to kill the km", means to shorten the time spent in the bus. Any improvisation we can conjure up has but one solution: the highway: the crossing of Slovenia from north to south only takes 4 hours and 30 minutes with two 30 minute breaks. The same from Bucharest to Constanta or from Bucharest to Sibiu. Some signs are seen, but the effort is ours alone and we must plan the means through which the loans will be paid.

- **Railroad transport:** I do not insist on the infrastructure, the lack of variety for transport means, travel conditions. I only mention the primitive stage of organization for the transport system: information, ticket release, etc. Whereas the political will can make something in due time: the market will "regulate" this sector, after which there will be no need for it, Romania disappearing from tourist destinations, in the meanwhile.

- Rejuvenation is noticeable in **water transports:** from rafting to pontoons in the Danube Delta. Accomplishments, like efforts, are mostly particular, without coordination towards a measurable purpose.

- **Unconventional transportation** is in a beginning state. The stubbornness of decision factors appears surprising, concerning cable transportation when the thick snow for skis is in a rentable period, in Europe it already surpassed 1900 m. for all the others, one must first make an inventory to see where we are and what is needed to cover each niche. It is worth mentioning efforts towards rafting, cyclo-tourism, randonee (donkey trips), biking, climbing, walking or old trains which have been set in motion by SNCFR enthusiasts. Although embryos, underfinanced, they indicate a possible start. Concerning transportation we can say, as a conclusion, that to connect it to mass tourism, to new forms of *hospitality and leisure* we must evolve to the exigencies of the global system. Mesarovic and Pestel showed in "Mankind at crossroads" that rich states will be forced to intervene in the development of poor states to avoid conflict situations but moreover to avoid high costs. And numerous examples confirm this, like the spectacular evolution of China. "The state of silence" of Romanians push away this intervention. And it is not capable of revealing a new location under the sun: neither payment, nor periodic supplies!

#### **5.4.2 The lodging system: the business sub-system, rest, treatment, social, of compensation (agro-tourism, rural tourism, tourist pensions etc.)**

##### **General principles (recapitulation)**

We will briefly recapitulate the main characteristics of the receiving structures in states of the global system. Even if some countries seem disconnected with globalization, the reality is somewhat contrary: so, at wisenomad\_europe@yahoo.com one can find out about lodging prices of symbolic value for students in Europe, in the most unexpected locations. And there are thousands every year, and the system functions in Europe, Australia and the Americas. Romania is missing again!

- **Business lodging:** is global by excellence. What characterizes a hotel chain is a certain type of services and a certain client area which is being served; this is what differentiates them from classic hotels, a certain philosophy concerning services, but life concepts as well; of course, the standardization of utilities and services as well. Here, only Inter – Continental was the only presence, before 1989. Pretty late, after long and laborious talks, waiting for an object like obtaining better terms than other transition countries (especially the Visegrad group) a series of chains entered Bucharest, then several others in 3-4 locations in the country. Most units are of exploitation by franchise or management contracts. To exist, you have to pay! As concerning the other 4 or 5\* hotels, they do not matter for the international “mass” tourism, at the most they can be used for housing friends. Moreover, the size of the superior class is small and seldom medium, which conjures up problems in business exploitation. And in the country, the number of superior class hotels is inexistent (we can not consider that hotels of 20-50 places are exploitable, who’s personnel only now studies the ABC of services, and utilities are limited, to housing spaces, restaurants, and, at best, saunas and swimming pools). 4 and 5\* hotels should be close to airports. The small volume of air traffic does not make them opportune as to this point. Neither pensions (many classified under this name due to taxation reasons) can not be exploited nor the booking tourism system, as it is now, can not use them, not without the “certification” of the quality of services and a believable global structure.

- **The resting – treatment system:** has perhaps the largest number of units. The seaside and ski products are the majority of Romanian tourism. Treatment is low (mostly in Europe).

Club Mediteranne has 210 hotels with over 32000 rooms with the same product, but standards have changed. The Asian offensive lead to lighter buildings, with generous spaces and affordable luxury, and sometimes extravagant utilities.

The Romanian sea-shore does not have a sufficiently long period with favorable temperatures to practice seasonal tourism, although it is precisely the search for the sun which is the main demand on the tourism market. By building Agigea and Midia harbors, the maritime currents have been altered. One was supposed to build a “correctional” peer in Portita to avoid the loss of beaches, an accelerating phenomenon, especially for Mamaia, where the loss is visible every year. We also mention, with an inventory title, that the county authority in Benidorm, noticing the reduction of beaches, found out, trough a study, that by placing hotels on the other side of the road, at a certain distance from the beaches, daily, over 40 tons of sand are transported by tourists on their bodies into lodging spaces and was lost trough cleansing stations, so they moved on to completing the loss by bringing sand from elsewhere. The hardest problem is given by the contribution of the Mamaia – Mangalia development, surpassing infrastructure capacity. Concerning the evacuation of residues and used waters the critical point has been long left behind. Purifying stations use decantation methods almost exclusively. They are overrun, especially in the season period. The amniotic and ionic charge is very high, as is the amount of heavy metals. Comparing this to the 80s, when the first problems occurred, and there were 50-6000 tourists, added to the 120.000 occasional and camping tourists, plus inhabitants) now the composition of residues has changed: new detergents, substances from industrial productions, etc. So, the proportion of 1/10 for evacuations for agricultural irrigation must be corrected always, and, if it is surpassed, the “solution” is throwing it into the sea. The capacity of the equipment is often overrun during summer time when the sea becomes a trash can, creating the “blue disease”<sup>195</sup> to fishes, due to the surplus of nitrates and heavy metals. The phenomenon is noticeable by sight, when the wind blows towards the shore. Recent field research does not help us to find the periodicity surrounding the changing of water filters at the end of duct pipes, the subject being avoided. For ski resorts, the lack of snow is persistent, the minimum altitude of profitability and safety usually being 1900m in Europe. During the summer, the offer is poor, being usually based on walks, trips, eventual pools, mechanical games, discotheque (except Poiana Brasov). The anthropoid patrimony is poorly represented and promoted. For example, in Sinaia there is no plaque on buildings to show what

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195 noticed at Okinawa in 1965-1966

happened there, or monuments, or the station where the Orient Express used to be, etc. whereas organized trips are just a memory of the times when, with flags in hand, workers were taking villas of former owners by storm. The situation is similar for mixed resorts which offer both rest and treatment. The biggest loss comes from the external period of the season, both at the seaside and in the mountains. The passage towards “conservation” of units, gives the resorts a sinister aspect, with stripped hotels, barred doors and windows, desolate surroundings, lack of night lights, guard dogs, etc. Even in units opened throughout the season, the lack of clients is an unpleasant surprise, the coldness of the walls and the cold, “the atmosphere”. Even in weekends things do not change significantly. Whereas, not is the time when tour-operators come for prospecting, and contracting, now the decisions for the next season are formed. One of the main reasons for the shortening of the season is the long period for the opening of resorts, a period avoided by tourists for their holiday. Officially, the seashore opens on may 1<sup>st</sup>, but working is in progress even by mid June. Moreover, the seashore season was reduced to one month, whereas the mountains have two months, one in summer and one in winter, plus weekends. There is a different policy, including in the fiscal domain and of subsidies with a powerful incoming.

- the **social subsystem**: we include children camps here – those who grow tomorrow’s tourist, prepare the strong worker for the economy – but also those destined to the third age, which take up a major part of costs and include in the insurance or budget systems. Thousands of aging tourists go to hemispheres or between areas to look for a more docile climate and to spend less than the maintenance of their own home, which, they often rent. They prefer periods of extra-season and *long staying* to take advantage of the substantial discounts, so precisely in the period when our resorts are closed. Plus, they seek treatment facilities required by their age. They prefer intimate restaurants, less demanding sports, micro-group entertainment, new experiences, music, and sex. In retrospect, the third age is well-served by social programs, clients being within extra-season and intermediary season. Furthermore, even syndicates offered important price facilities, even in the seasons. The same goes for student organizations, school inspectorates or BTT. Today, the third age can be considered the same, by subsidized tickets offered, if the resorts were not to offer extra-season conditions. Children’s camps, although more expensive, offer poor comfort, but a movement towards change is noticeable. But syndicates changed their policy, as we shall see.

- **Compensation systems**: agro-tourism, rural tourism or tourist pensions, from cities account for two functions: they absorb unemployment, they develop activities in otherwise inactive areas and allow for cheaper holidays. They become global by organizations, associations, etc. rules of conduit, etc. and the global booking systems which give the multinational clients a Unitarian access. The same goes for the booking system in cities, church bases, various organizations, etc. which appeared here in the last few years.

Let us see now the difference between the situation here and our perspectives in having a decent place in global tourism. We can notice two areas:

- **The private area built after 1990**: - the holiday house sector: almost completely made in an amateur fashion: not as a means of profit, but as a personal dream. The new owners – small investors did not really had any way of coping with international standards, they did not know knew, and they did not had a “sticking” offer. This is why two extremes appeared: the personal villa (agro-tourism!) and the Eiffel tower in Slobozia or the gypsy palaces.<sup>196</sup> Neither have anything to do with real tourism. Although they created temporary work places, brought some income, but even close to real tourism. This sector is in crisis already. Many owners, not possessing their initial means, in front of taxation, attempt a final salvation: shift toward agro-tourism. But, most of the times, buildings are not able to cope with exigencies in this sector.

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<sup>196</sup> We use the term gypsy not because we are inconsiderate but because it is known and used like this in the country including by the rroma natives. “Rromans” is a neologism which was a curiosity for many, including native gypsies, and was adopted by political leaders due to financial aspects. Actually, even “crowned heads” call themselves kings of “gypsies”, not rroma. The term “palaces” is associated in common language with “gypsy” not “rroman”.

- **The tourism sector:** lack of capital lead, with rare exceptions, that the new investments in new housing basis to be incapable of fitting in the requirements of global tourism. Only where there were global structures (Best Western, Continental) or local (ANA) they have built and modernized everything, so that they have chances of entering the global system, if the business environment will not shift towards applying terms used in the respective system. Otherwise, small hotels, like the ones built so far – although necessary – have a familial character (maximum 80 housing places, so exploitable by a family, in the western system)<sup>197</sup>, exceptions being isolated (Sofitel, Mara – Sinaia, etc.), usually linked to financial scandals. The lacks of credit for private entrepreneurs lead to this situation. An exception is the Marriott – Grand Hotel, as a completion of the investment which begun.

- **The state area before 1989:**

In 2000, in the “Romanian tourism as a lost cause?” we underlined: “and this is an understatement. What was back then is now also lost. Rare examples of modernization, renovation, etc. are for Turkish “tourists” and local businessmen and their guests.” A few exceptions exist. For this sector, we must quickly cut the gangrene, Thatcher style:

- Where there are claims, as long as they can be kept, if possible, they shall be returned, but with mortgage support for reintroduction within the circuit.

- Where actives are not claimed, a very fast procedure of making the titles official (with the risk of press scandals for which they must be prepared, with care and discreet convincing examples concerning perspectives for what exists even now). Then, in resonance with political obligations, for the “good” of the active, etc. passed with “Alexander’s sword” in the private sector (although this is the official, unanimous accepted objective, so it became some kind of a mascot), rather professional administration (we did not mention the miraculous word “private” because this word has been abused to much already. Who is the private owner of Club Mediterranee? Hundreds of managers across the world, without which the chain can not function!) And the definitive cancellation of administrators from tourism if a compatibility between the tourism development program and its objectives is not reached too.”

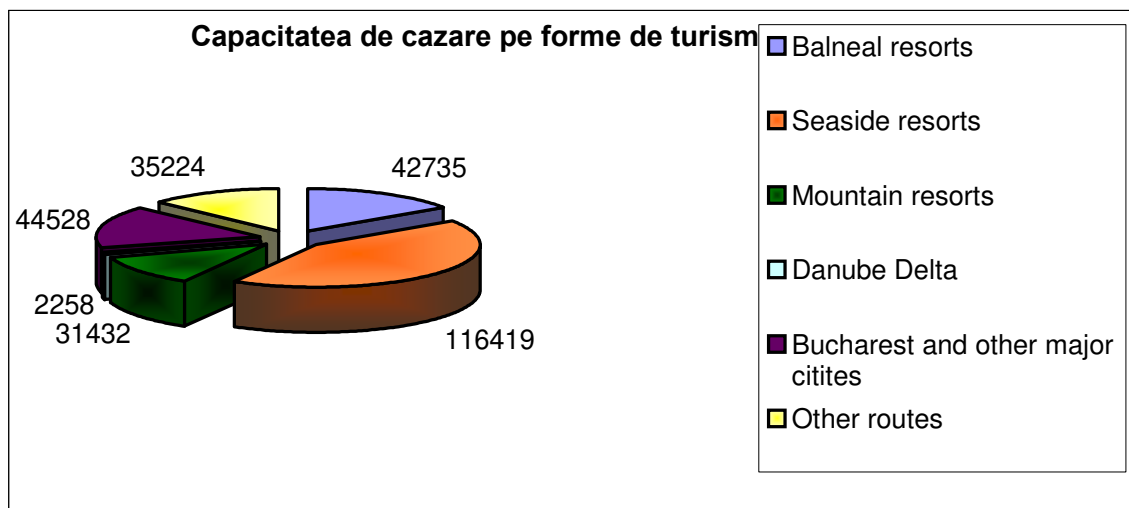
This was the policy of the actual government. Unfortunately, lack of foreign capital lead only to a change in propriety, more visible on the seaside, most of the base being the propriety of financial groups, some with well-known debts, not only for the budget. Moreover, the new owners, in lack of qualified management, made only a beautification, in stead of solid repairs (lack of credit access is the cause, but also the uncertainty that the investment can be recovered with such a low purchasing power in Romania). In cities, high hotel costs lead to the reactivation of lodging at private homes, same goes for the seaside. On July 19<sup>th</sup>, 2003, the usage degree of hotels on the seaside was only 40%. After a “media” alarm, an intervention of the authorities lead to the announcement, in a few weeks’ time, that the number of tourists on the seaside surpassed the level of 2002, so it is hard to say if part of the subterranean tourism was brought to the surface or arrivals were reported wrongly at the beginning of the season. It is certain that the required investments, to put the material base in function, had high classification criteria; and from here to the new “Pacific” standards there is still a long way to go. Without a solution for quick credit access, there will always be façade operations, where the changing of some carpets or drapes, can not hide the oldness of the equipment or furniture. The most important issue is management. New

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197 According to a recent study by the consulting firm Peacock Global Hotel Management the development of the hotel sector is based on three star units which have a capacity between 20-80 rooms, so family oriented. During 2001 – 2002, circa 50 units were opened in Romania with 3\*,4\*,5\* classifications, total investments being around 250 million euros. For 2003, estimated investments are 360 million USD. In Bucharest, we will have at least 8 new hotels, with a total capacity of 480 rooms (average 60 rooms). But the real gains are, as we showed already, in the big chains! One estimates that over the next few years, more than 4 international chains will be present in Bucharest, two of them operating 5 star hotels, tallying 600 rooms (average 150 rooms, some renovating old hotels of 250-300 places) up until 1200 conference places, the study reveals. To compete with external competitors, until 2009 we must have a new center for conferences and expositions in Bucharest, a hall with at least 3000 places and 6 halls with 500 places and other 20-25 halls with capacities between 50 and 150 places.

owners do not have the minimum required experience for the tourism activity (living in a hotel is not the same as exploiting it, in international tourism! The positions on which we stand are contrary: the tourist, stock holder, manager). At least one year will be lost until management structures become stable, another one for finding qualified personnel, which can cope with international requirements. And even so, there are still no certain signs (except the Dana hotel in Venus....) that we will be able to reach “Pacific” imposed standards. And we should attack first: to present to and “bribe”, if necessary – IMF and WB representatives so that they believe that it is their idea which can save the day!

A special situation is that of large resorts built after the standards of the 70s, far from the actual ones. They are usually in different administration (I use this word in stead of propriety because according to Law 115/1990, its acts were not applied in due time, and now we have everything but privatization!). For resorts (hotels and spas) the quickest way towards success is a conversion towards the sanitary or social sectors with private financing: retirement homes with payment – an old man’s pension must ensure his voyage until death and his cash will turn, slowly, but turn nonetheless, the wheel of the tourism economy; and we elude yet another problem (if the social contract will allow such a level of living) – campuses, etc. Financing is required for at least equilibrated functioning (otherwise they are doomed to ruin in a few years), or mountains of trash: see the case of treatment equipment, in spite of existing exceptions, meaning those which operate solvable demand both internally or internationally. The same goes for rest: what can be included into the offer must be helped to reach the present level, not implying a change in destination. BUT one must not transform the tourist bases into reservations for the unlucky.



Source: Statistics of the Ministry of Tourism

By privatization, we had another sample of the lack of information regarding contemporary tourism (not the years of mass tourism). Resorts were “broken”. Moreover, some became ruined (see Paltinis resort) or were built in areas which had no connection with the system of tourist destinations. (See Poiana Brasov, where, by chaotic building of private villas – holiday houses, hotels, the phenomenon is more visible), and others continue to exist due to inertia, more for the weekend clients. Basically, a tourist or tour-operator are blocked: they can not afford to spend by phone, to speak with each unit in particular in a resort or city, nor can they pay the advancements required as warranty for the realization of the contract, which date from the eight decade, now prohibitive due to the decrease of tourism traffic. Few integrators appeared: Eximtur, J’Info, Marshal, etc. which were unable to operate lucrative systems for resellers as well. The former dispatch locations which had to be replaced with information booking systems, with portals for the direct access of clients or at least with communication by email (most hotels use the costly fax system, even in 2003!), by local information points. More worrying is the total lack of Romanian offer on western booking portals. The coverage area usually stops at Hungary. It is true that such



an operation is costly, costs a lot actually, especially when the “traffic”, meaning client requests are few. Clients of large hotel chains enter on their websites directly. It is also true than many providers created better or weaker sites and that foreigners usually appeal to them. But western search engines, in order to maintain a site “up-front”, are taxing, and usually, Romanian suppliers do not know or can not afford to pay for that, especially in the beginning, when traffic is reduced. Even in western countries, the system of information centers from cities, their interconnection, and the organization of the on line booking system or with an immediate confirmation did not develop without financial and logistical support. Even booking portals are supported, at least until they obtain enough traffic or are developed by existing systems: Yahoo, Google, etc. Especially for plane booking.

Moving on to the **analysis of the existent material basis** we must reveal several weak points:

- The analysis of Annex 18 reveals that although the number of units increased, the capacity decreased. At first glance, due to increased comfort. Unfortunately, with rare exceptions, most units have resistance structures which do not allow for this. To put it simply, other spaces got new destinations: usually commercial. Especially light structures, such as small homes or camping establishments, have suffered the greatest losses: transition costs! The same phenomenon is noticeable concerning the capacity put into function. Here, a special lacking of our statistical system comes into place: lodges and seaside resorts are considered functional from April 1<sup>st</sup> until October 31<sup>st</sup>. Whereas, the seaside for example, functions two months a year, when they have to gain enough for the following 10 months. And this is over 1/3 from total capacities. The housing capacity on forms of tourism is eloquent to reveal the dependence of the tourist offer to the seaside....we reveal lower the percentage of availability which shows the theoretical usage of the housing system. We are still lacking: not even 7%. So invested capitals have a weak coefficient of usage.

<b>Structures of tourism accommodations with lodging functions</b>							
	1993	1994	1995	1996	1997	1998	1999
Availability percentage = theoretical number as ration of tourists / days and tourism days in activity							
Total: of which	7,1	6,6	6,7	6,8	6,6	6,8	6,6
Hotels and motels	8,7	8,1	8,1	8,1	7,9	8,1	7,9
Tourist inns	11,4	5,8	5,0	5,8	6,8	6,8	5,2
Tourist cottages	9,6	7,7	8,0	8,9	8,6	8,7	8,9
Camping and homesteads	2,8	3,1	3,4	3,5	2,9	4,1	3,2
Villas and bungalows	6,5	4,9	5,1	5,0	5,0	5,4	4,4
Pupil camp sites	4,5	4,3	4,7	4,9	4,6	4,8	4,6
Tourist pensions	4,5	11,4	12,0	11,8	11,3	9,6	9,3
Holiday villages		5,7	13,7	13,7	13,2	13,2	13,2
Agro-tourist pensions				8,0	7,7	9,1	10,7
Ship accommodations				9,7	6,9	6,9	0,8

Calculated after Romania's Statistic Yearbook 2000

Theoretically, high risk investments are those in camping, followed by villas and bungalows. Holiday villages can not be representative with only one. Dramatic decreases are the inns: actually, at their base, this notion was introduced to “rescue” units built “under” the criteria, especially in the system of UICC. The high degree of seasonality which the table above indicates requires high tourist flows and long periods of lack of usage of the labor force.

<b>Average places per accommodation unit</b>								
	1993	1994	1995	1996	1997	1998	1999	2000

Total: of which	109	103	99.7	9.75	94.4	91.9	87	89.7
Hotels and motels	191	186	183	184	181	181	180	174
Tourist inns	51.4	45.9	43.2	35.1	36.5	36.2	35.8	36.3
Tourist cottages	47.6	48.7	47	45.5	44.9	48.3	48.3	49.5
Camping and homesteads	264	243	239	250	229	249	231	251
Villas and bungalows	24.9	25.4	23.1	22.5	22.7	23.6	23	22.8
Pupil camp sites	248	243	240	234	236	239	235	233
Tourist pensions	14.9	6.45	8.73	9.34	11.9	10.6	11.7	13.9
Holiday villages		38	32	32	36	36	36	36
Agro-tourist pensions				5.44	4.92	4.71	4.82	7.2
Ship accommodations				30	128	112	97.2	97.6

Source: Romania's Statistic Yearbook 2000, Information bulletin 2003

One can clearly notice the predominance of small capacities, of familiar types. Usually, privatization must be based on such an analysis and leave small capacities at once. Usually, major cities had a new hotel built, but which rarely was over 200 places. Areas with international tourism had 2-3 units between 200-300 places. We find larger capacities on the seashore. In resorts as well, hotels usually did not pass these numbers. These are units where industrial exploitation was possible. In exchange, for villas, the situation was hard, because what weekend tourists were wrecking, even if they paid for it, required a large amount of time to repair. So, it would appear that the restitution of reclaimed villas, except for the case in which a new propriety was going to be desired. Just two camping sites in the country (Sibiu and Brasov) had the minimum requirements desired by western tourists (water connection, electric energy and sewers for bungalows, efficient sanitary groups, minimum dwelling surface, parking and tent sites); in exchange, camping sites in Jupiter, Neptun or Mamaia, also had normal capacities for mass tourism. Agro-tourist pensions imply that the house must be used by the owner and pensions are strictly for family. There is an increased trend on ship-space.

Let us add the usage coefficients and the conclusion appears disastrous.

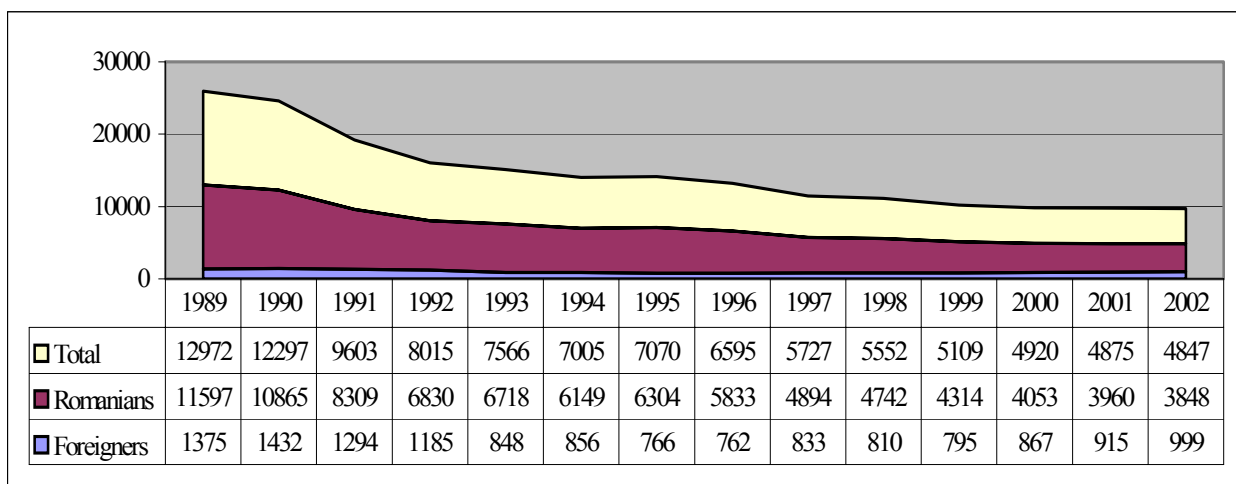
	1993	1994	1995	1996	1997	1998	1999	2002
Total: of which	43,1	43,7	45	40,7	37,7	36,1	24,5	34,0
Hotels and motels	47,1	46,8	48,2	43,8	40,3	40,5	39,4	41,5
Tourist inns	17	24,7	11,6	9	11,3	10,7	6,9	21,8
Tourist cottages	14,6	18,4	21,2	17,4	18,3	15,5	12,9	8,4
Camping and homesteads	25,7	27,1	29,7	23	23	23,5	14,9	9,0
Villas and bungalows	26,9	45,9	46,9	40,3	39,2	35,4	38,6	28,5
Pupil camp sites	42,6	38,9	41,3	41,5	36,4	24	23,1	19,9
Tourist pensions	19,2	15,5	15,3	16,6	13,9	18	16,8	11,7
Holiday villages		21	20,2	22	29,6	16,7	28,8	33,6
Agro-tourist pensions			12,4	13,1	8,2	10,5	5,8	11,1
Ship accommodations				8,6	76,3	66,8	11,2	58,4

Source: Romania's Statistic Yearbook 2000, Information bulletin 2003

The accommodation coefficients for 2002 by 5\* hotels (most in Bucharest) were of only 35.4% and the 4\* of only 24.8% overall in Bucharest and the main cities bound by business tourism. We can barely reach an usage of 30.3% (32.3%). And the seaside hotels just 41.3%, the mountain area 21.9% and resorts 50.8%. Moreover, we observe that the camping occupation degree decreased, student camps, and low coefficients in agro-tourist and tourist boards, not by not taking them into account (we can not still ignore the subterranean part), rather the long periods of lacks of clients. **It now becomes obvious why transnational capitals are reluctant to enter the**

**Romanian market.** Until our own studies were concluded, statistics included a risk area. Normal usage, according to theory, is 55-65%, and over 70%, one must build a new hotel. *The fall was due to the loss of local clients, which – by sudden increase of prices and a drop in purchasing power – reduced 3 times.* Not even the business area could not compensate, because differences between incomes and a standard framework and those of traditional “delegates” – which kept, even during communism – relationships with great enterprises – these are very big, the latter limiting themselves to one day drives or sleeping in the car. Of course, the budget sector remained relatively stable. Whereas for multinational corporations, the times when they could set their strategies for Eastern Europe (before 1989, when events were certain, perhaps only the temporary horizon being estimated), which clearly meant a reduction of the purchasing power, an increase in prices, inflation, etc. which leads to the loss of local hotel clients. The increase of tourist circulation was relatively certain in the Czech Republic, Budapest and Poland, given the fact that these tourist destinations suffered no rupture, like Romania. Statistics confirmed since 1991 and since 1992, this was a certainty. We did not manage to make this simple calculus, for a just political decision. Dramatic decreases in lodges, villas and camping, student camps and even tourist pensions come from a decrease in local clients.

Arrivals in accommodation units – thousands of tourists



Source: Romania’s Statistic Yearbook 2000, Information bulletin 2000

**How did it come to this?** More so *why does such a pertinent lack of information and usage in a lucrative manner exists?* For the first question, a realistic response would imply that Romanian tourism was built on two pylons: international tourism (especially from the “brotherly socialist countries”, without a warm sea) during the season and national tourism in accordance with the social contract or even social tourism, in the extra-season. For example, the seashore is populated in April and October by social funds and until the next season by OJT tickets or syndicates. This gives a usage of almost 70%. Now, whoever has the money leaves towards hotter areas, which does not, gives up. The few thousand social tickets given by the actual government are insignificant. The Romanian tourist market was blasted in 1989. Romanians have no more purchasing power (mainly by the expiration of the “social contract”) and foreigners (Eastern Europeans) headed west, filling up resorts in reorganization after Pacific standards. Whereas the decrease of the internal purchasing power, although small in December 1989, is the direct responsibility of the political factor. We repeat, what Romania could have “sold” at a good price after 1989 was the internal market. And it was given to foreign competitors for free. Add this to the appalling management of the economy, but also the social sector after 1989, proven time and again by the continuous decrease of the life standards, in the age of the consumption society and the danger of transformation into a banana republic, which excluded a “lucrative activity” for the transnational corporations, as well as for Romanians, which were not quick to invest in tourism, Romania’s “opportunity”.

**What needs to be done?** *Privatization does not bring tourists.* The available capacities at the Mediterranean are already exceeded and have a large usage period. And our prices, in the actual fiscal system and the actual product prices can give us no chance for the price ratio. I believe we must go to large tour-operators, those who stood behind the 70s boom and talk to them about joining the global system. It will surely be a second hand position, but the *comeback can begin in such manner, meaning the creation of destination Romania.* Unsolicited spaces must be “converted” in the national system: and the Romanian labor force requires rejuvenation as well! Otherwise numbers in Annex 6 will remain the same. A comparison with the numbers in Annex 7 is worth it.

“The subsidizing” of tourist recreation and treatment facilities from the budget by allocated funds from social insurances had no results: first of all, because these were addressed only to state employed workers. Supporting part of the ticket’s value included only certain categories of people, especially from firms with large salaries: mining, gases, energy, large industrial plants, banks, etc. This type of discriminatory subsidy lead to much abuse, which, added to the budget’s lacking, lead to the diminishing of tourists from one year to another. After that, unions of syndicates rerouted these funds, especially towards their own bases in Covasna, Herculane, Felix, Caciulata, Eforie Nord, etc. – bases under construction or low standards and with unqualified personnel. One can not simply pass from the cafeteria regime to that of international cuisine. Even a good chef, who limits himself to making bulk food, is very hard to pass onwards to elaborated products. Subsidies managed by the Ministry of Labor for retirees were better, they usually occupied the extra season. Tourism units which resisted (but did not developed or modernized) are usually those who benefited of subsidized clients.

<i>Resting and treatment tickets given by social insurances</i>							
	UM	1994	1995	1996	1997	1998	1999
Total tickets: pcs.	Thousand pcs.	207,0	229,9	163,0	188,4	225,2	258,7
Treatment	Thousand pcs	193,4	210,5	143,0	162,4	192,1	210,0
Resting	Thousand pcs	13,6	19,4	20,0	26,0	33,1	48,1
Expenses	Thousand lei	37353	69503	60172	154002	246178	579786

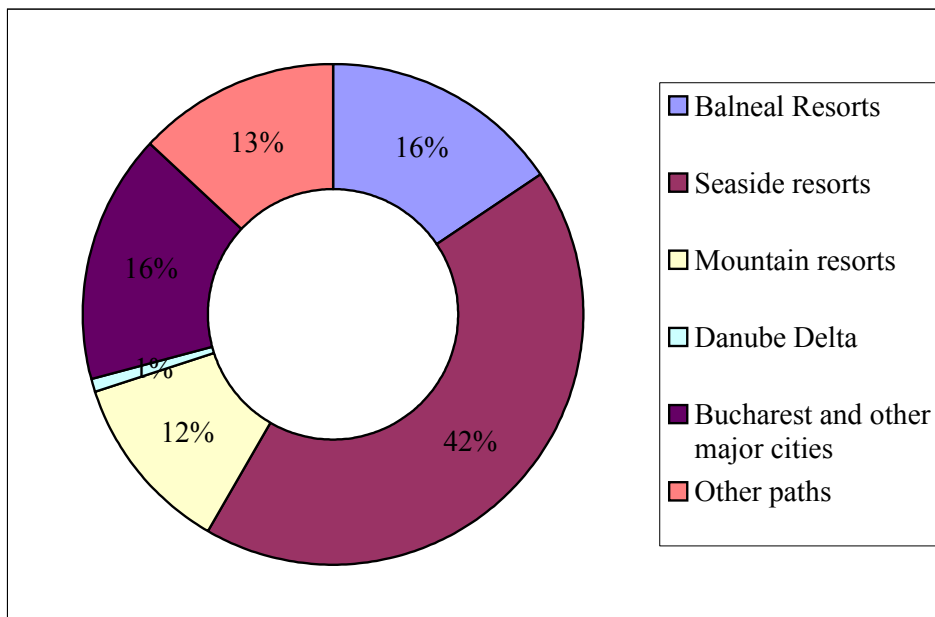
Source: Romania’s Statistic Yearbook 2001

We must, however, make two remarks: modernized hotels avoided such clients (for example seaside hotels: Savoi, Raluca, Yaki, etc.); there has been no policy for supporting several units trough the system of subsidized tickets to maintain them at a level of criteria or modernize them for international tourism, to that the subsidies effect was only half-good. A special situation concerns the Health Ministry. They were continuing hospital treatments and were well-funded from the medical perspective. Lack of funds disqualified them, mostly due to moral usage of the equipment, which was not replaced in a long time. We add rare and happy exceptions to those mentioned above.

We made no reference to the **accommodations within cities:** this is the area which integrated global systems the quickest.

Before that still, let’s take a look on the following table in order to see the **structure of the material support on categories of comfort and geographical areas.**

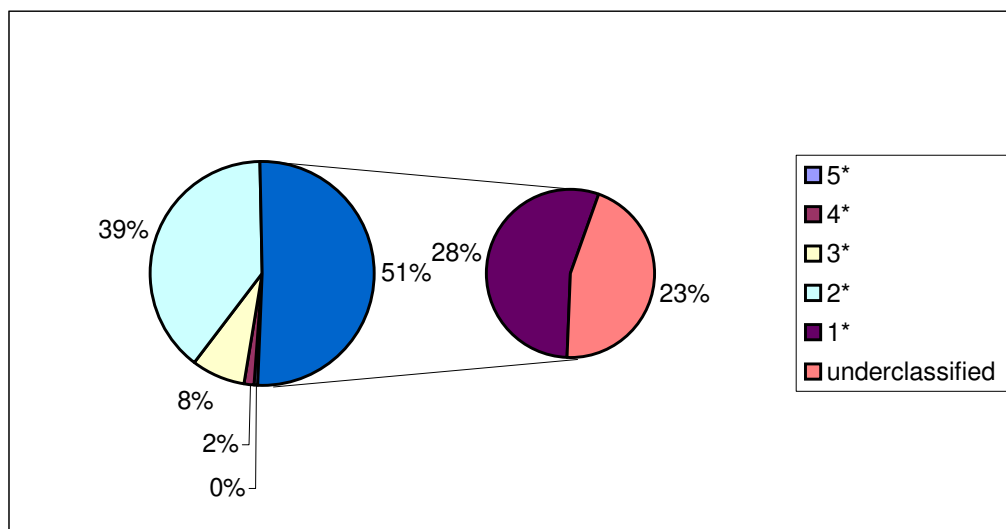
The structure of the material basis according to the geographical area



Source: Ministry of Tourism's Statistics for 2002

We notice again that 42% of the basis is grouped by the seashore, 12% in mountain resorts, 16% in spa resorts and 16% in cities, and 13% on roads, in isolated areas, in the countryside, etc. The situation is different from the income point of view. Even before 1989, the Romanian seashore brought just 35% of total income, given the high degree of seasonality, city hotels being much more rentable. Today things are more diverse, keeping in mind the structure on different categories of comfort.

The structure of the material basis on categories of comfort according to working capacity



Source: Ministry of Tourism's Statistics for 2002

Appreciatively 1/3 of hotels (as units, not as number of places) are located on the seashore, 1/3 in resorts and 1/3 in cities. The structure on categories of comfort reveals only a beginning for superior categories of 5 and 4\*, those suitable by definition for international tourism, coming from developed countries, with clients with purchasing power. Only 8% of capacity is located on 3\* hotels and 39% + 28% = 67% in inferior categories of 1 and 2\*, to which 23% under-classified hotels are added (especially children's camps). Apparently, the situation is hard, most of the material basis being of inferior categories. In fact, it can be compared to the situation in several

countries with tradition in tourism. The difference is in the price-quality-clients ratio. Hotels of inferior categories are mostly not renovated, with inferior sanitary conditions to those of countries in global systems. Moreover, the price is at tourist level. But most of the clients are local and do not have income to afford a payment of 20-50 USD / night / room, so that lack of usage must be compensated by price. The exception from such rules are hotels from the province cities (here many capacities are closed or without circuits, because the old policy demanded a hotel in each bigger location) and some hotels in resorts. The seaside, as well as the ski area, is trying to recover in the short time spans with clients, the periods without clients. There is no solution: locals can not pay on one room, on one night, more than 1/3 of their average monthly income (20 USD in Germany or the USA or another relative value compared to income! Again, the lack of accumulation, already realized by rich countries and in the lack of a social contract) and global structures are not interested given that **the price is similar to regions which are tourist destinations already**. And the state applies the regulatory principle which, by unreasonable taxation, leads to budget debts or moral overuse. The media sent news with the speed of light which should have turned into a public debate: *most hotels have large budget debts and are on the brink of bankruptcy*. Such a situation in the case of hotels which joined the global chains may indicate onerous contracts or faulty management; in privatized units it means **the failure of privatization, the failure of the market or the “diabolical” state**.<sup>198</sup> But it also means **the moment of truth concerning Romania’s tourist opportunity**. Privatization will not be – by itself – a solution on a long term for bases of inferior categories in our country. The capital infusion concerning the sale will evaporate quickly by lack of a normal rate of profitability, unrealized as well as due to under-capitalization and fiscal pressure. After paying for the hotel, or the control package, an investor needs serious funds to remake, rebuild and transform a material basis which, usually, in the last 12 years did not beneficiate only of beautification, made by locals, to make it easier to be taken over. Moreover, in the last few years of the eight decade were savings years, meaning that maintenance funds decreased, especially those for capital repairs and equipment: low-quality lingerie was introduced, towels without cotton, synthetics, etc. The only solution, the one used by global structures, is the forcing of the state to intervene by local and wise conditions. We must also tackle the lack of a accommodation system: the so called **private renting**, very common in the past period due to a high flow of tourists from abroad, today due to price levels. This system, aside from calming unemployment, also brings income, is so far a majority in the underground economy. But this is an entire system we’re talking about – very organized, and, for the surprise of the uninitiated – of a global nature. For example, the so called “Zimmer frei” from Germany puts up prices which are 50-70% lower than hotels of inferior capacity (a 5\* hotel is circa 300 EURO, a 4\* hotel circa 200 EURO, a 3\* hotel circa 150, a 2\* hotel around 100 EURO, a 1\* hotel 70 EURO, a “Zimmer frei” around 25 – 50 Euro: q.e.d). But rooms are checked for comfort, owner honesty and are included in the system of local tourist offers, so also in global systems. Unfortunately, Romanian banks invested in buildings, none of which allow for the on-line payment of small sums, in acceptable terms.

**Bucharest** – the capital of a country with a strategic position, with large resources and availability for quick transfer, as well known for its hospitality, had to enter the sight of global hotel structures. Until 1989, the only hotel included in a global chain was the Intercontinental. The investment was made by the Romanian side, and the exploitation was made by the Intercontinental chain, under a normal franchise regime. The accommodation structure in Bucharest is the same as anywhere else in the country. A rather large number of accommodations of A and B (\*\*\*,\*\*\*) categories for international tourism. Inferior comfort capacities were insufficient, which lead to the blossoming of room rentals on black market, although there were legal grounds for its organization. The total capacity in Bucharest was 6000 places, of which 2500 in A or B categories for international tourism. One must mention that, since the creation of **PNUD, in 1968, Romania beneficiated of funds** to build the Center for Professional Tourism Formation with a capacity of

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198 In contrast with the “providence” state

600 places, with a practice area in the Park hotel (today Best Western), the Statistics Center – having a Univac computer, the most powerful then, which allowed for data transfers, especially for the seaside (while there were no PCs’ in the country at that time) of the Tourism Research Center. In 1969, Eugen Nicolescu – the director of the International Tourism Direction within the Ministry of Tourism reaches the U.N. leading structures, which allowed Romania to benefit from a broad assistance for a whole year. Then, the **Romanian image was launched, of a folkloric nature, of songs and traditional dances**, the traditional woman’s shirt being taken on by many fashion houses for their summer collections. It was also the time of mass tourism, with voyages and circuits.

After 1989, inferior hotels were reduced as number and capacity. Some were claimed, others changed their destination, and others were transformed into banks, and marked as spaces with a new commercial destination, enterprises or offices. Hesitations in company management of state-owned companies like the – legendary – Dambovitza traditional corruption – brought hotels complexes on the brink of collapse. Hotels were broken, the decision was pulverized. The patronage which followed was a façade. But 1990 – 1993 were good years for Bucharest, when the revolution and the transition trough which the country has passed brought permanent clients, especially journalists but also exploring businessmen.

Today, after the entering of major global chains, **Bucharest has over 5200 rooms (100%), of which 1216 (28%) of 5\*, 792 (8%) of 4\*, 1400 (32%) of 3\*, 389 (9%) of 2\* and 623 (12%) of 1\***. The private renting system was not set in motions, which lead to two consequences: the purchasing of apartments by enterprises in the country which had many trips to Bucharest, or one day delegations. This mostly for the private sector. The state sector paid high hotel prices of superior hotels. Today we find *real estate* companies which rent for short periods of time. Basically every global chain in Bucharest has its own history.<sup>199</sup> All of them were involved in scandals, even if some were created by the press. There are three main contracting situations: franchise, management contract and direct operation. All (except Sofitel) used existing buildings, although resistance structures often did not allow for the upbringing of rooms to required standards. The exit was *the simultaneous usage of the international chains’ name and the local name of the hotel*. Without the international chains, Bucharest would have been dead. Businessmen, foreign politicians would not have consented coming anywhere else than in their safety zone, known hotels. So, the delay of the involvement of global hotels was a mistake which we now pay dearly. A brief description:

- **Continental**, built by the application of law 15/1990 as a chain uniting Continental hotels in Bucharest, Sibiu, Cluj, Targu Mures, but losing Timisoara, which managed to accumulate enough resources, and become private. Actually, the owner of the Bucharest building is the Menachen Elias foundation which loaned the usufruct to the Romanian Academy, which now exports it trough Continental SA by profit center contract. The 1990-1993 boom on the Bucharest market ensured needed funds for the modernization of “Continental” standards, and the extension to Arad (hotel Astoria), Turnu Severin (Parc and Gura Vaii Hotels), and Suceava (Arcasul Hotel). Ibis manages to get involved in the management of the Nord hotel only later, by management contract, and soon, an Ibis hotel in Constanta. In perspective, 150 places in Bucharest. This is one of the few happy cases in which transnational corporations made it to Bucharest.

- **Intercontinental** hotel is an exception; it was already in a franchise contract with Inter-Continental. But, both the building of the hotel, as well as the Lido and other actives are part of the GP group, organized as the Intercontinental Hotel Company Bucharest Romania S.A., which took over the control package by direct negotiation, and then was in liquidation as indebted to Bancorex and bought by the Paunescu group.

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199 The considerations that we make below are based on information from various data, in terms revealed above concerning access to information (permissibility, costs, etc.) Any lack of concordance at the date of publishing must be taken as such, the author being happy for every improvement. The amazing speed of modification of propriety, of changes in Romanian tourism, only allow for historic appreciations or appreciations concerning the general trend.

- The **Best Western** group modernizes Parc Hotel as public propriety. At the end of the renovation it is operated by participation contract by the Pan Hotel operator as Best Western – Parc. Best Western is one of the few chain which is involved in Balványos, Gura Humorului, Central Arad, Ambassador Timisoara, Topaz Cluj and Savoy Mamaia (private propriety, with intense media coverage in its time)
- The Dorobanti hotel used the already famous formula “Soon a Best Western hotel”, which allows for a good accumulation until 1999 as the only 3\* hotel offering acceptable terms for international tourism. It is modernized at standard level. The Dorobanti hotel will become the **Howard Johnson Grand Plaza**, 4 and 5\* as franchise from Dorobanti S.A.
- **Crowne Plaza**, a part of Bass Plc. Of Great Britain, together with Holiday Intercontinental Hotels and Resorts – operating as Six Continents Resorts Inns takes the Flora hotel into management, propriety of Ana Group (75%), which bought it by paying its debts and modernized it (1.200.000 USD)
- **Hilton** also takes Athenee Palace (public propriety) under the name Hilton – Athenee Palace. The structure of share holders was around 49% Athen Phoenix Group and Feal Group France, 13% Express Group, 38% Athenee Palace S.A.
- **Marriott** takes the Grand hotel into contract, who’s owners were ONT Carpati as the building owner of a diplomat hotel in the Casa Poporului (actual Parliament House) area (30%, at that time a state-owned agency), and the Ilbau society, today’s Strabag Austria, with Austrian and American stock holders ?? and Sober Ltd. Of Cyprus, which from a few percents manage to gain control of over 51%. The Hotel society Grand Hotel SA exploits the commercial area of the complex and Marriott is designated to the application of the management contract for the hotel. Grand SA has big financial problems due to government guaranteed credits, for the completion of the works, equipment, etc. and modernization, so that it can be included in the AVAB.
- **Sofitel**: is the case of a major Romanian investment, of over 150.000.000 USD, guaranteed by the Romanian state, for the World Trade Center, Hotel Sofitel and the “French Quarter”. WTC finances the construction which passes the hotel into Accor management. The problem is that WTC is at AVAB, for what it’s guaranteed.
- **New Maraton**: is perhaps the most spectacular entry of a Cyprus company in Romania and not only. ONT Carpati receives, from the Romanian state, by law 15/90, both the Grand building but our actives in Egypt, meaning two cruise ships and the Pyramid hotel complex. Together with Sinaia hotel, of Sinaia, and then a hotel in Oradea, along with the entire newly bought Toyota buses. Due to various reasons, ONT Carpati closes a management contract with New Maraton of Cyprus to which they basically give the exploitation right to the Egypt actives. (In the mirror, Kompas Yugoslavia is privatized and extends in 14 countries, while the country was dismembered!)
- **Majestic**: Turkish capital begins operating trough the Majestic hotel, which they modernize, and immediately extend a new wing.

A new **Novotel** hotel is foreseen, with 330 rooms around the Telephones Palace.

Other hotel units are in progress, but we stopped at those bound by the activity of global structures.

This passage allowed for a noting of the fact that, technically, *transnational corporations bought nothing, invested nothing, with rare exceptions, and obtained management or franchise contracts which were extremely profitable*. As an order of size, data being confidential, and consulting the balances of the Commerce Registry prohibitive, we can say that the value of the franchise is several times bigger that the one practiced by Inter-Continental before 1990 and the management contract may reach even greater values. Responsibility is basically void, and the first signs already appeared, as financial difficulties of Romanian structures which made the investments appear. This is the price we must pay so that businessmen, politicians can come to Bucharest and, maybe, at a given point, one of them will build the “Bucharest destination”!

At the same time we have car rental societies back in Romania: **Avis** (part of the Cedent group), **Hertz**, **Eurocar**, etc. but also several services which are compulsory for the global world:



**DHL, MTS.** But banking services still keep us on the outside. No Romanian bank can operate credit cards online (VISA, EUROCARD, and MASTERCARD) towards the exterior. IBAN is still a desiderate. This is a bad omen, as businessmen which come to us are warned of this and use internet systems to contact their own addresses.

We must also remember **restaurants: McDonald's – owner, Pizza Hut, KFC, Howard Johnson Master**, franchises obtained by the Computerland group, exploiting units in Bucharest and in the country, companies where share percentage can not be clearly established. Restaurants in Bucharest are still lacking. With few exceptions (McMonis, Casa Vernescu, Casa Doina) new restaurants constantly appear and disappear. Moreover, shareholders are constantly on the move. As long as services are not addressed to international clients, and units are not stable in services, especially quality, at global requirements, they can not be taken into account by global operators. Special interiors, like at the Carul cu Bere or Casa Capsa are a potential risk due to lack of personnel experience; a tour-operator contracts services long before the arrival of the tourists and the quality of products and services must be the one established at the time of the inspection visit.

Compared with other capitals it appears that transnational corporations were more active in Bucharest, considering perhaps the minimum investment effort as well. On January 1<sup>st</sup>, 1990, while only Inter-Continental worked here, in Budapest there were over 15 hotels which used *brands*. Today in Prague we find the Inter-Continental (overtaken by Forum), Corinthia, in Warsaw, Inter-Continental (overtaken by forum) and Marriott and in Sofia Novotel (which has a unit in Plovdiv), and Nez Otani Zogravki Cempinsky – Sheraton.

In North America, over 70% of hotels use *brands* and just 30% are independent, but they too participate in common booking associations. In Europe, of another tradition, the situation is inverse, but booking chains are more numerous.

We tackle the **internal situation** here as well. But first we underline the poor penetration of multinational corporations, not only in the cities, but also where the market is smaller, but also on the seaside, etc. The most spectacular operation was the one begun by **UNITA** which has the control package of 28 hotels in the country. On the seashore, as a result of the symmetric regulations between the FPS and FPP, which transferred FPS action to AVAPS, and charged the Ministry of Tourism with the selling of actives, SIF Transilvania managed to become a control factor for Saturn SA, Eforie Nord SA, Transilvania Turism Feleacu SA, Baile Felix SA, Covasna SA, 49% to Postavaru SA from Brasov, and 7 hotels in Venus. The question about the legal existence of SIF societies must be asked, given that, by law 15/1990 they were supposed to, like FPS, to disappear in a clearly specified time span. We mention that part of the actives within the resorts have been sold before this operation by auction, MEBO, direct negotiation, etc. In the Mamaia resort, most hotel units were privatized by *an irrevocable leasing location*<sup>200</sup>. The Perla Majestic complex was taken over by Spring Time Holding, and Palm Beach was built by Coral Beach on the former location of the Pirate's Inn, etc. Neptun resort, kept aside from privatization activities were sold hotel by hotel, only the Estival Olimp 2002 remaining, the Amfiteatru – Belvedere – Panoramic hotel. The Doina complex was exchanged by the RAPSS with the Astoria Hotel in Eforie Nord, taken over by Europa Hotel of the ANA group, which is finalizing its modernization. Other Romanian groups have bought by auction sometimes several areas of the seaside resorts, but, at the publishing date of this book, information could not be checked due to the dissolution of the Tourism Ministry. In resorts across the country, bases of the former UGSR, now in SIND Romania SM and those of the UNCAP have passed on to the Ministry of Labor and Social Solidarity. A special case is that of the Mara – Holiday Inn hotel in Sinaia. The Authority for the Valorification of Banking Assets (AVAB) took over the hotel to constitute a benefice of 27.8 million USD hold on over the Mara Investment society. The takeover price of the unit would cover 50% of the total debt. The rights held by AVAB represent an un-performing credit taken from Bancorex, meaning a loan taken by Mara Investments, for the creation of the Mara Hotel complex. AVAB would recover the total amount of benefices in appreciatively 90 years, if the

entire profit from the activity would be given to the authority; the degree of occupation of the Holiday Inn – Sinaia is 37.54%, situated under the efficiency standard of 60-65%.

International super-budget brands did not penetrate (hotels with minimum equipment, and low prices), neither those connected with air transport companies, except Intercontinental (Panamerica - Delta). Lufthansa is bound to Movenpick and is still on hold, as is Le Meridien (Air France).

In the recreational field, large cable transport installations were privatized under diverse formulas, and to be noted we only have Dracula Parc (still a private project) and Aqua Magic in Mamaia. We must also mention the number of casinos under the standard of fighting against money laundering, losing the opportunity of organizing a resort as a *gambling* area, due to restrictions imposed by Turkey to casinos.

We also notice that, for tourism, the system of using a Romanian commercial society for the operation of *brands* on the market. It would be useful to find out if the stockholders of Romanian societies which own the hotels built after law 15/1990, meaning the FPS quota, where it became or how it was privatized, if it was privatized or is still in the propriety of the Romanian state, and how much does it gain from the quota it owns! With all this included, the foundation was not laid for the creation of “Destination Romania”. The deliberate withdraw of – and perhaps, not random, from the economy, as well as tourism – lead to the half decrease of the usage of the facilities. And, to be pragmatic, *we still do not know where downtown Bucharest is at, or what can we sell under this name*. Where do we send a tired tourist for a walk, in the center of Bucharest?

We reveal data, according to the Statistics Yearbook of RSR on 1980

Volume and structure of services supplied to the population by socialist units							
Thousands lei	1965	1970	1975	1976	1977	1978	1979
Hotel accommodation and similar	215	762	1277	1232	1009	1147	1190
Health, recreation, sports	690	865	1306	1374	1364	1479	1501

to reveal that, in fact, when there is a political will (even of an evil sort), results did not cease to appear. But between 1970 – 1980, Romania was a tourist destination: a folkloric country, of music and popular dancing. Whereas this leap was also made in the globalization game, in the relative period of relaxation in the 7<sup>th</sup> decade. But then, a Romanian was in the leading position of the UN for a while year, Romania was “in the game”, as a partner, as Thailand or the Czech Republic made it, etc. **Today, we must pay a heavy price to become once more a global tourism area, at least of business tourism.** For other forms, the Romanian economy has neither the resources, nor the social contract between the political and social components, which can motivate it.

### “Recreation systems!?”

Punctuation signs reveal that any analysis on this sector is actually a historical research in the *loisirs* age. In 1977, means of recreation included 21 installations for cable transport (5 cabins, 5 ski-chairs, 11 ski-transports) over 400 nautical means (56 speed-boats, 24 sail-boats, 135 water-bicycles, 110 ore-boats), 95 sport fields, 1476 mechanical games, 28 ski slopes (neither organized according to international criteria), 7 center for sports equipment leasing, and 3 ski schools. Efforts made in 2003 on the seashore are worthy of praise, as a sign of spring. We mentioned them to reveal a major opportunity lost by Romania: the Turkish ban for casinos, which lead to their explosion in Bucharest. But the new fiscal regime was so inefficient, that it banned them to “no man’s land”, at the border between Turkey and Bulgaria. The ones that remained were forced to operate underground. We may conclude that we need **honesties, groomed and trained individuals** to face transnational corporations. Whereas, they are the missing link, as we will see.

### 5.4.3 Personnel

Romania's statistics yearbook for 1980 holds a surprise: in 1938, the number of economic-oriented high-schools was larger than in 1979 or today.

Economic high school education (daytime, low frequency, distance)				
Year	High Schools	Total number of students	Teachers	Of which women
1938/1939	82	8608	2511	2256
.....				
1970/1971	41	30439	21293	1322
1979/1980	41	40126	32512	1733

The situation is even direr now. And it is not the small number of students that scares us, rather the small number of graduates.

<i>Professional, apprenticeship, craftsmen education programs</i>								
	<i>Pupils enlisted</i>			<i>Graduates</i>				
	1996	1997	1998	1999	1996	1997	1998	1999
	1997	1998	1999	2000	1997	1998	1999	2000
Professional Schools								
Commerce	4028	3822	<b>3175</b>	<b>3556</b>	1402	1284	1129	953
Public Alimentation	8949	8491	8657	8629	2602	2514	2830	2363
Apprentice schools	They exist no more							
Post-Lyceum schools								
Commerce	1417	2240	2528	1193	598	641	1100	...
Tourism	1115	1110	1417	1778	464	458	481	...

Source: Romania's Statistics Yearbook for 2000 and 2001

**Tourism personnel:** the foreigner's surprise is big, when they come to help us with tourism and observe the massive personnel fluctuation. And this in a sector where **most of the added value is brought by the individual**. It is worth to mention the beginning. The belonging to the former intelligence system or collaboration with them can not be used as an excuse, etc. "The field" reveals that except for a few leaders, the rest of the personnel were not affected. The pressure of personnel dispersion was created mainly due to privatization issues (**reclaiming of properties**) especially because of environment chiefs (chiefs of units), due to divergences which occurred between them and the personnel in making claim to parts of the "legacy"<sup>201</sup> in the time when the MEBO method was applied, or management of location.....

On categories of personnel:

The management level of state owned commercial societies: the faulty application of Law 15/1990, the delaying of the decision for the "propriety titles" (I do not refer to the propriety itself, rather the COST, FINANCING and the PROCEDURE of granting the titles) which lead to an amazing rotation of managers of new societies, especially between 1990 – 1995, having as a result a direct lack of coherence in management but also a massive departure of specialists, and at the same time the creation of several interests groups whose objective was to seize assets and not their operative management. We witnessed something freaky: although the state claimed that it does not mingle with the economy, in reality it coerced even more than before 1989. And after 1996, labor in tourism became an area of danger or even suicide for the honest working personnel. So, we can not speak of "managers", of tourism policy, but of anything else. At a national level, a foreign company could not find an honest partner, according to international contemporary standards, if, by operating before in Romania, would have wanted to return. But, pay attention, except for 3 flyers in Russian and 7-8 partial representatives who spoke foreign languages which

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201 one of the privatization methods was "MEBO", which gave employees the possibility to buy the assets (hotel, restaurant, agency, etc.); from here on, tensions among employees, until the process was over

were present at international fairs, Romania had no offer, no dialog, told nothing to potential partners, due to “professionalism” and “manager” quality. The theory by which managers can lead anything is actual after a few decades of tradition! Not like here, where in the last decade (actually, in the last 50 years) from the industrial production section, chief of service within the ministry or a manager of a resort.<sup>202</sup>

The privatization of other units lead to the stronger and stronger isolation of management personnel, especially due to the fact that, usually, financial groups with own “ambitions” and agendas appeared. It is a different situation to see the life of a professional manager in another country. We should have known and adapt with time, to prepare.

We must also tackle here the issue of private sector management personnel. Usually, the owner has nothing in common with tourism and hires a formal “diploma” required by criteria which was valid in “1848”, not the internet age<sup>203</sup>! This is more visible in dynamic tourism agencies. Lately though, by the entry of foreign capital in the country, the realized accumulation of it, which allowed for a sufficiently big size, lead to the apparition of professionals, which took Romanian tourism to a “whole new level”. These people, entered globalization trough mother-enterprises, and, by using the existent base, as it was, began to put known successful Romanian companies in jeopardy, because the latter were born and raised in the “classical” Romanian system.

However, we must underline the large number of “fishermen” patrons, fishing in bleak waters, where they made good money without being asked by Remes<sup>204</sup> where why did they not account for the money, although border crossings are well-known and foreign movement is well-studied by the SRI, in order to observe fraud, at least in accommodation units. How many times did we not wonder how such operations are not followed: is this a deliberate decision towards capitalization?

Serving personnel: new promotions exited schools every year. Just two notes:

- During school time and after graduation, before `89, students were spending MONTHS of practice under the guidance of masters. Now, they are mostly employed with only their school experience. We underline: the Romanian seashore ensured ¾ of qualified personnel by compulsory dispatching; complete units from the territory, every county had its task. Where from is the personnel brought today? Compare with Greece, Turkey, etc. Tunisia introduced the compulsory Swedish buffet – unofficially due to a large number of complaints regarding service, but actually to compensate the level of personnel qualification.

Moreover, superior education for tourism in all EU countries has 2 semesters of practice in every country. Here, we have 3 weeks, in the residential town, where the student wastes time. Moreover, a student desires also office labor, not just effective work, as if tourism faculties produce only managers, not operational personnel as well!

- After obtaining the needed experience and some language skills, the personnel officially leaves the country. But such people can be a source of income for the country: Turks in Germany managed to keep their families well for years, by working there. They had the protection of their state! This process began, yet still shy, also at the request of receiving states<sup>205</sup>.

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202 right after 1989, in the maelstrom of the revolution, they managed to gain decision functions, being completely unprepared for such functions, but loyal to certain circles of interests, which helped them to be named

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204 Finance minister at the end of the 9th decade, known for rough statements concerning taxes.

205 In general – we don’t have tourism specific data – Romanians working abroad send to relatives which remain here at least 2 billion USD (according to NBR), meaning more money than all the foreign investors and the World Bank in one place. So far, over 1.8 million people – nearly 10% of Romania’s adult population, have been working abroad (National Migration Organization – OIM Bucharest). Average monthly income per homestead with one or more members which were or are working in EU countries is 265 Euro, as compared to 100 Euro, the average income of a Romanian citizen. The same goes for countries which have adhered to the EU

With rare exceptions, in most tourism units, the personnel is far from the global desired level and especially untrained to meet expectancies. Moreover, the legislation seems crippled. Only since 1998, for example, “the guide” job is written in the jobs registry: we are like the shepherd who puts good cheese in a dog’s belly! The guide and bus driver create the memories of the tourist! But the guide job exists for only two years: meaning labor book, social insurance, etc. And the Guide’s Association is still formal.

Still:

- Newly appeared private units, maintaining the existing ones, the explosion of public alimentation units, etc. absorbed, at least for a while, a lot of the labor force. But this at the high costs of a massive balkanization of the general atmosphere and services.
- Transnational investments absorbed most of the personnel, which they try to bring to a whole new level. But...we mention that this varies for all cases by state responsibility: to state that the state exited the economy, that it must manage on its own, according to market laws, is the same with giving birth to a child, raising him for only a few years and then send him into the jungle, to manage on its own, according to the laws there. Such a position resembles unconsciousness, when, in England for example, they used ration blocks almost until the 60s, like we did, and the privatization of the state sector created a war which not even Thatcher’s iron hand could silence!

The state must ensure at least the following:

- The signing of accords for official labor, dignified with more and more states. We begin with this system because it is the mirage lighthouse which keeps the performance race into qualification
- The integration of the educational system and practice labor: school and jobs, contractual practice, realistic placement centers, etc.
- **Professional associations:** we had the ABC (Chef’s Association – it still exists, but the shining of their fairs is a memory, the waiter’s association – gone; SALVAMONT, the patronage association – which only included directors from the state sector; there have been many others...and they still exist formally), syndicate associations (basically self-dissolved). What responsibility does the state have here? It should have helped to fill the void by its means, for example granting several rights, like the equivalence of diplomas, the simplification of the procedures for experience recognition, titles, etc. the financing of affiliation to international structures, access to world information, etc. at least during the early years. Otherwise, how can we claim that the population accepts the cost of transition? ARGUMENT: the apparition in Romania of the first transnational structures managers (aerial lines, hotels, etc.), which in Bucharest coincided with the founding of the “Skal – excellence in tourism” club of which managers with experience can be a part of, with at least 3 years of experience and a 220 USD/year fee. In the beginning, most of them were foreigners, Romanians being blocked by financial obligations: fees, clothes, etc. This club exists for over 100 years and reunites several tenths of thousands members all across the world – so contracts with partners and colleagues on any meridian. In Turkey, for example, there are locations of the club in Istanbul, Kusadasi, Antalya, Ankara, etc. we have difficulties in paying the fee, which is also taxed! No Romanian representative knew of this structure, in order to determine the Romanian state to open a communication channel before transnational companies were to arrive? No fiscal facility could be granted for money spent on Romania’s image? Was it not known that Skal’s second official language was Spanish...!? meaning another kind of future? The admission of members in professional organisms was similar. We have only one member in ATLAS: prof.dr. Cristureanu, but almost no participation, due to lack of funds – circa 1000 USD / conference; and there are 3-4 years, where most of the “crème de la crème” in tourism gathers and all the managers of transnational companies: they are talking about lots of countries: Romania does not exist! The admission tax and annual fee for former communist countries is 5 EURO (compared to 285 EURO), but the bank transfer is 45 USD! And you find out about ATLAS you had to be lucky to be informed by an acquaintance abroad. Another channel for communication closed and released too late, and with too much effort! The same goes for the Guide’s Association. And without them, one can not propose, not even organize

international reunions in Romania (on good money, not protocol!), with a presentation of the issues concerning Romanian tourism to external partners, which do not even know to whom they should be talking to (most foreign firms which brought tourists here for the eclipse contacted the “Eclipse 89” Association in Budapest, where the initial address for the Romanian Astronomy Institute was, who only came to finish website in July 1989! Luckily two other sites were taken over by NASA and so a bridge was created).

Still, we have one major accomplishment by ANAT (National Association of Tourism Agencies) which organized ticketing classes flawlessly (the selling of plane tickets towards tourism agencies, directly from the IATA system), made with hard work and it would seem against the Romanian state which...appeared to await the Dambovită-style “payment”. This meant several hundred agencies with an international diploma, with well-paid jobs and increased demand for qualification. How well would it have been to organize them mostly by state help, by employing a few faculties: as an optional class and with a back payment of advanced expenses in “x” years.

### **There is a great danger in treating with multinational or transnational corporations**

– I do not know a specialized person on the matter of tourism in political formations. And not as a tourism professional, but as one in politics for tourism. Although western universities have classes like “tourism and the public sector”. Without a sustained financial and human effort for specializing several people from various areas of the political spectrum and state-employed workers and without introducing this class in faculties, we will not have a tourism plan, but mostly, real means for it to succeed and resist, to carry on.

- **Required personnel** can not be created overnight, especially in so many **specialties and levels of qualification.**<sup>206</sup> But mostly, you can not form “introduced” personnel within the international environment, with short term relations, if the state does not intervene. And how may the state intervene? A possible model: the one applied by the Japanese for the Japanese miracle. *We all know that neo-liberal policy promotes markets and the exclusion of the state from the economy. Tourism history reveals the contrary, especially the present and the measures for the future. Tourism means large funds, which private capital is not willing to invest into a destination until it does not have a functional tourism economy. Only then does it intervenes in areas where profitability is big, quick and capital is easy to recover and repatriate. This is why, political will, which manifests especially by the state apparatus must become effective, so that tourism can become a chance for Romania, a country which today is absent from both the tourist world as well as from consistent income, be they in the benefice of its own population or the state budget.*

### **5.5 Tourist traveling (incoming, outgoing and domestic): a comparative evolution: past – present – perspective, its place in global flows**

Tourist traveling is the result of available cash, spare time but also tradition, and customs concerning tourism. Between the wars, in Romania we can speak of travels and a start of the tourist circulation. The number of usual tourists was low, especially compared to the whole population. Still, before the First World War, tourism associations are formed (The ASTRA Tourism section, SKV – Siebenburgische Karpatenverein) which will begin building cottages in the mountains and organize trips, especially for the youth. The number of lodges is over 90, which reveals a sustained activity. At the same time, health tourism continues its ascension, resorts such as Herculane, Sovata, Borsec, Slanic, Ocna Sibiului, etc. being very trendy and places to go for the wealthy, but also to cure the suffering of the poor. We must note that these resorts were

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206. Consequences can be illustrated by two statements in spring of 2004 “We’ve met patrons who do not have the needed abilities to lead a hotel, untrained personnel, low quality decorations, insufficient food, of doubtful quality, even dirty sheets” - Paul Mărășoiu, vice-president RCB after an incognito control. Nicu Radulescu, president of Autorității Naționale pentru Turism (ANT) »...since last year, Romania became a preferred destination for European tourists (sic!)... As for the quality of tourism services, this subject must still be debated”

transformed by the building of personal villas and bases for treatment. Predeal, but even more Sinaia, has a history bound by the moving of the royal court to Sinaia during the summer. On the seashore, as well, the first “establishments” have their origins in this same period, especially Eforie, Mamaia and Techirghiol, numerous private villas being a testimony even today. A powerful stimulant is given by the creation of the National Tourism Office (ONT), and the Romanian Automobile Club (ACR) (in Bucharest, the Aero club was already created – it had as guests Saint-Exupery, Berlioth, etc. – and there were tennis and golf courses where the Romanian aristocracy would mingle, these also being lobby locations). The hotel network was pretty well developed for those times<sup>207</sup>, the famous Orient Express traveled across the country and the ship Transilvania had regular voyages. International mass tourism had not yet been born.

After 1944, the communists were quick to take over establishments for sport and relaxation. The beginning was the passage of SKV to the Organization of Popular Sport in 1945, as a result of the loss of the war, and later, in 1947, through nationalization or just force.<sup>208</sup> The government of the Popular Republic of Romania passed on to the Central Syndicate Council the entire base which was reorganized by the issuing of HCM 9/1960 “to create better conditions for working people and firstly for the workers in base industries”. It came to be, that people, with flags in their hands, to be granted holidays as prizes. The development of cabins in the mountains, especially at the beginning of the 5<sup>th</sup> decade, was, more than likely, a diversion to attract partisan fans, or even more sure to test the locals’ attitude and to identify anti-communist opinion leaders. The modernizing of mass tourism villas could not be a successful process because the exploitation was costly, but at that time, the economic criteria did not matter, the political decision prevailed, which, by seeking legitimacy, wanted to prove the care towards workers and the superiority of the new political system. The development of sport halls, treatment and resting facilities is relatively slow until CAER decides that **Romania must develop the seashore as a warm sea for the entire soviet block, although the number of sunny days was clearly inferior to that of Yugoslavia** (however, they were in “quarantine”). The hotel construction begins, and after 1960 – 1965 their projection to international standards, both to take on the predictable flow of foreign tourists, but more precisely to show the world the superiority of the socialist world. Even an imaginary travel to the seaside reveals this aspect and its different stages. At the same time, mountain tourism, cheap and pleasant for the young, was soaring. Mass tourism, at least internal, was a reality. The beginning of international incoming had a rather burlesque nature: tourists were not allowed to leave the hotel unsupervised, contact with locals was basically prohibited, guide comments was pure propaganda, while Cold War tensions and tito-istic deviation became more intense. But, from 1968, until 1975-77 the situation loosens up, the propaganda effect of the new buildings was the main means of exploitation of the Ceausescu era, which was just beginning: massive factories, blocks of flats, a massive renovation of historical museums (medieval Sibiu was basically renovated as a whole, and the museum of cultural traditions was already opened for visits). At the same time, outgoing tourism develops; the number of Romanian tourists which leave abroad was increasing, becoming even numerous at times. And here participation terms were rough, limitations across the CAER for cash money transformed trips into commercial voyages.

In conclusion, mass tourism, representing a safe warranty of the occupation of tourist bases, reached 3.2 million foreign tourists in 1975 (2.6 on the clearing relationship and 0.6 million on the free currency market) and 3.6 million Romanian tourists (2.4 internal travels, 0.8 million for treatment and 0.3 million abroad) – these numbers not including the tourists through BTT or own syndicate bases, CASCOM, UNCAP), with a tendency for the increase of Romanian tourists. The structure of the tourists explains the stalemate in which the actual tourism base finds itself. By

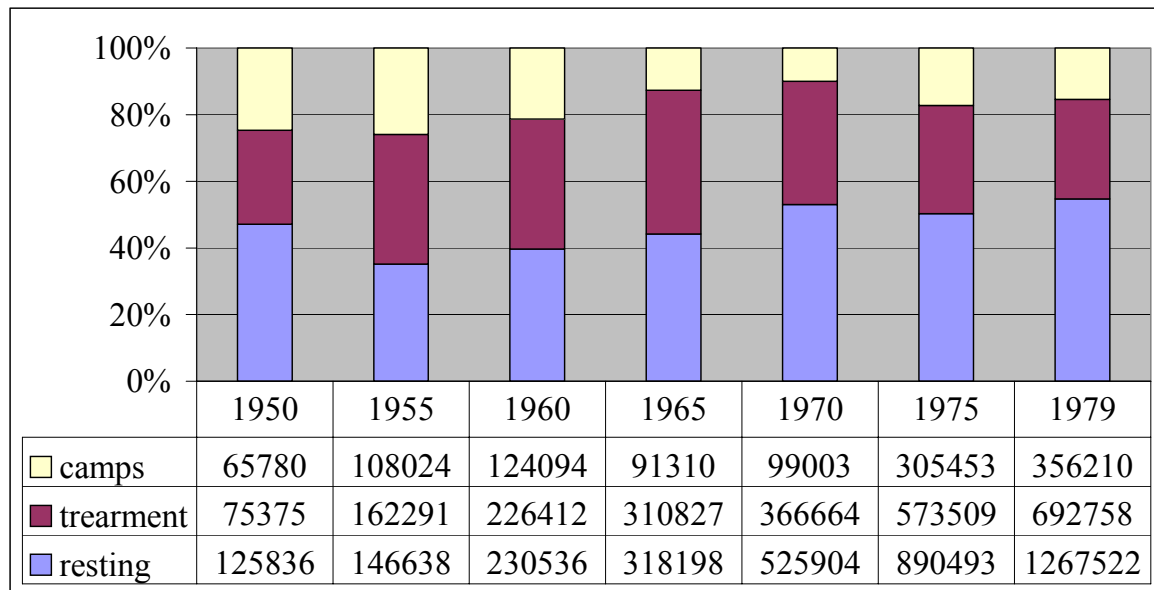
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207 For Bucharest see Paraschiv, I., Iliescu, T. – *De la hanul Șerban Vodă la hotel Intercontinental* - Ed. Sport Turism, București 1979, and for cottages see Hermann H., Roth, H., - *Der Siebenburgische Karpatenverein 1880-1945 - Gedenkban*, Wort und Wel Verlag 1947

208 Three if the 14 villas of Paltinis resort did not even exist in the inventory before 1989, being “taken over” by simple dispatch of the first secretary in 1947. The situation is general, in resorts across the country

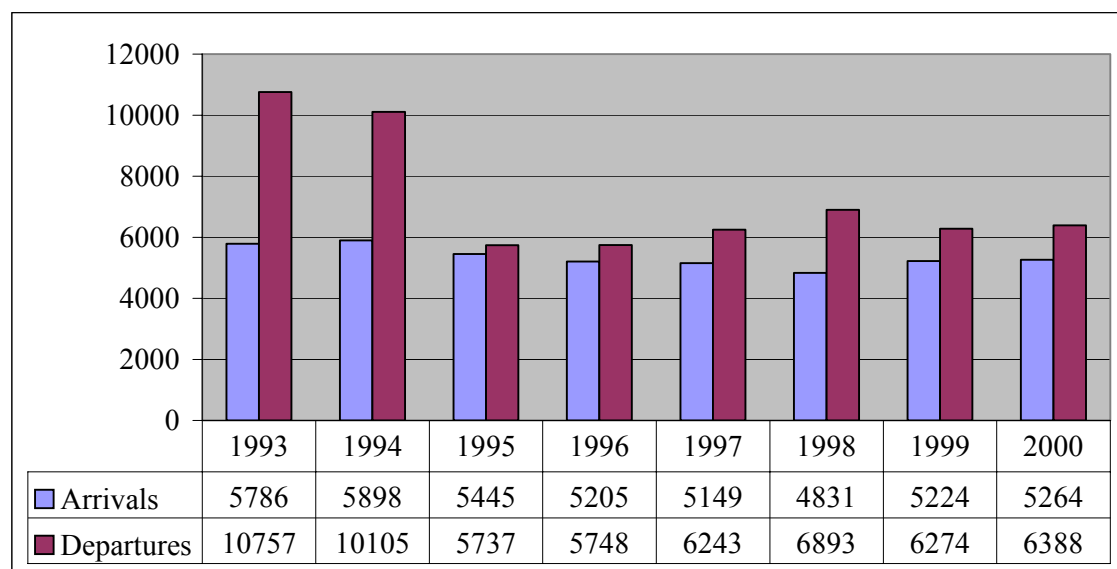
losing external markets of the former CAER, eliminating the organized systems for internal tourism and leaving everything to the regulatory system of the free market (a situation avoided in the west), by issuing laws for several unproductive management systems, tourists bases were destroyed. Their reconstruction, or conversion, in happy cases, requires serious investments, in the terms that Romanian economy can not yet maintain, for this resulting sector, neither by products nor services, nor not by generating enough purchasing power.

For illustration, we reveal the number of people in the country, both in resting facilities and health treatment in balneo-climateric resorts, pupils' camps and pre-school colonies - thousands



Source: Romania's Statistic Yearbook 1980

Romania's international tourism (millions)



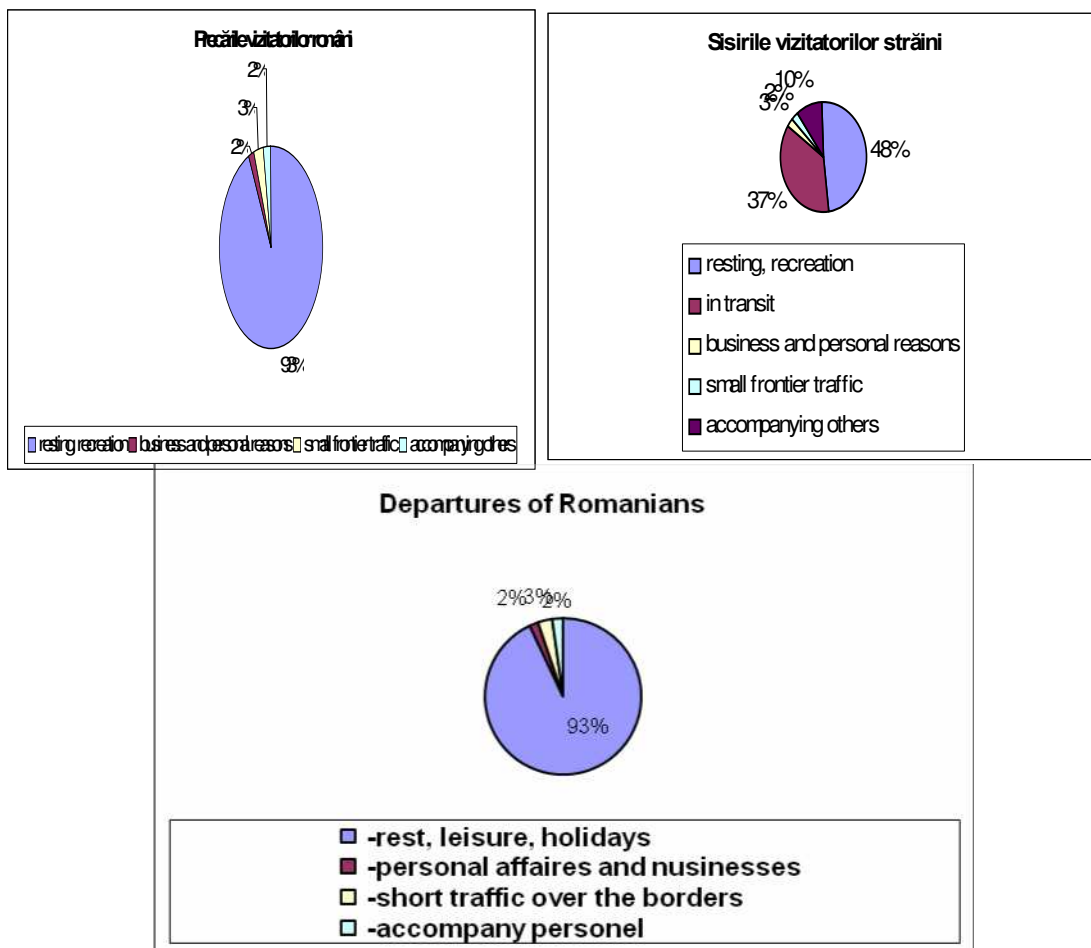
Source: Romania's Statistic Yearbook 2000,2001

After 1989, international tourism knows two periods: the one of massive departures for documentation of Romanians towards the west (1990 - 1994) and the stabilization period, beginning with 1995. The table indicates a relative stability in international tourism, as we have shown when we talked about the accommodation basis. But, comparing data concerning nights

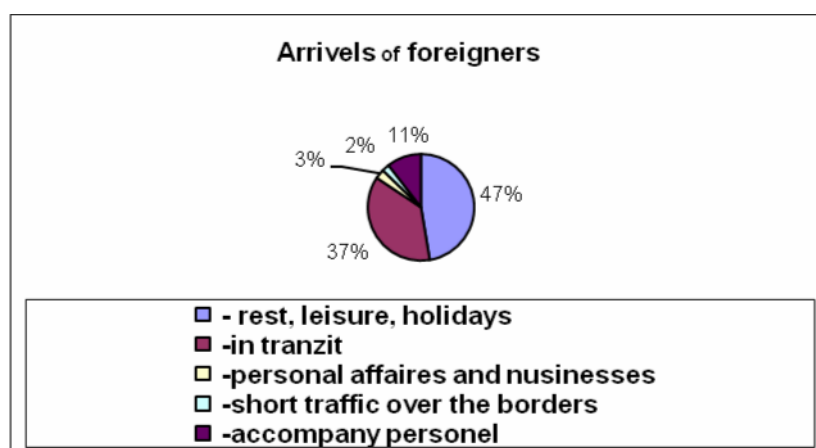


spent in accommodations with departures through tourism agencies and data above we must conclude that transit is high in international tourism, like visits to the relatives, classical tourism, organized or not, and concerning departures abroad, outgoings for *trader tourism* in close countries being the main component, close to or just after leaving to relatives, for work, etc. Pure tourism represents circa 1% of the population, a small number of tourists practicing tourism on their own (at least until visas became extinct, it was also very hard).<sup>209</sup>

Inadvertencies of the statistical system are revealed from the motivation of travels as well. For the outgoing the percentage is 93%, consisting of holidays, recreation, resting, and this being obviously fake. In incoming, transit is 37%, personal or professional affairs being 3%, and leaving 48% to the debate, which theoretically stands for “relaxation, recreation and holidays”. This is why, only by correlating the structure of the offer and its degree of profitability can we formulate a realistic conclusion, due to lack of studies and independent researches. In the essence, it remains stated that Romania does not have an offer for international tourism due to lack of destinations built at the actual level of competitive tourism, which forces us to rethink our information system for tourism operators but also to reorganize the specific educational system. Motivation of arrivals and departures from and to Romania in 1998



209 It is relevant to show that the number of tourists left for New Year's Eve in 2003 / 2004 by tourism agencies was 8-10.000. The average sum allocated by Romanian tourists was 150 euro / internal and 500 euros / external. Maximum prices were 700 euros / for a New Year's Eve in the country, on Prahova Valley, and for an exotic destination 2000-2500 euros.



Source: Romania's Statistic Yearbook 2000

In absolute numbers

<b>International tourism in Romania</b>						
	1993	1994	1995	1996	1997	1998
Purpose of visits – thousands						
Arrivals of foreign visitors in Romania	5786	5898	5445	5205	5149	4831
-rest, relaxation, holidays	2742	2642	2607	2833	2774	2784
-in transit	2137	2364	1920	1522	1568	1289
-business and personal reasons	169	154	150	194	183	182
-small frontier traffic	131	97	38	15	22	16
-accompanying others	607	641	730	641	602	560
Departures of Romanians abroad	10757	10105	5737	5748	6243	6893
-rest, relaxation, holidays	10002	9298	5022	5184	5535	6129
-in transit	193	228	197	144	187	205
-business and personal reasons	320	262	137	67	110	117
-small frontier traffic	242	317	381	353	411	442

Source: Romania's Statistic Yearbook 2000

One can notice a decrease in both chapters. If we were to analyze the data from Annex 117 we will notice that most tourists come from close-by countries. This indicates that Romania does not exist in significant international tourist flows. At the same time, correlating data in Annex 118 we can observe with surprise the large number of departures towards Yugoslavia, precisely at the time of the war, which, aside from clearly illustrating a statistical lacking, gives reason for the refusal of western countries to pay for war damage. Large departures towards Hungary reveal illegal departures towards the west, as well as the normal level, close to E.U. regulations, concerning prices in the neighboring country.

Correlating data from Annex 12 with those from Annex 6, we notice a dramatic decrease of internal tourism. This reveals, from the globalization point of view, that we are catalogued as a country without tourism, social contract, with an economy without perspective. According to proposals by Mesarivoc and Pestel we are to be included, at least globally, in the area of costs for keeping quiet and good-living. But these funds are by definition at their minimum levels.

So, as we have seen in the hotel sector, **to exist in the global world of tourism, we must invest money, labor and wisdom on our own.**

But tourism is taking place trough specific structures, **of invisible nature: agencies, insurance, promotion, etc.:** they should be the mediums of international communication and the makers of tourism offers. Many times, the genesis of tourism agencies was a refusal of their creators to become unemployed, so they left without the sunken capital, and became orphans.

Whoever will speak with an “x” from “Romania”: what trust can a license released by the Tourism Ministry for just 200 USD guaranty fund? Still, a positive trend can be seen. If the private effort is not strong enough: the state must at least protect it. Especially concerning incoming, without the destination image, the product image and state warranty or similar structures, we are bound to small arrangements for known people and friends in the west. Neckerman, TUI, Robinson, Club Mediterranee, etc., real tourism oligopolies, treat the departure of tourists with the state, not with companies. All over the world. And arrivals as well. This is the tourism industry. Do we have a tourism minister which was welcomed by the CEO of Thomas Cook? Because this is the safe way for image improvement. There will be harsh conditions: but the others managed to overcome them. Let us add the mutations which the internet brings and which they themselves do not control as they should. But again, the image, credibility: who are Romania or a Romanian tour-operator, and can I trust him? And passage through a local agency means double the costs and labor. Romanian tour-operators wasted their nerves ever since 1990, for elementary rights such as that of receiving currency in Romania as payment and to introduce it in accounting evidence. And there is still a long way to go until they will be able to pay for services between themselves by currency, to avoid a 5-10% increase of costs, due to banking operations and loss of value. It is as if a dollar is not the same either in an agency in Cluj or at the hotel in Bucharest or it is not a part of the same banking system!

We must also include the state communication system. In 1977, for example, the Tourism Ministry allocated 77.8 million lei for the “centralized tourist commercial (propaganda<sup>210</sup>)” (other than the one made by ONT Carpati, ONT Litoral, ACR ITIA, ONT Brasov) of which: printing for internal tourism: 4.9 million, printing for international tourism 21.9 million, advertising for international tourism 1.3 million, movies 6.9 million, external press advertising 24.2 million, etc. The physical editorial production was over 1000 titles and roughly 17 million copies. We were financing 3 agencies in socialist countries with 200 thousand lei and with 2.5 million lei currency (1 lei currency = 4.2 USD) 15 agencies in western countries, 13 of which in Europe. It is certain that, for example, in 1995, the stands used at international fairs were those built in the seventh decade. Today, the situation, at least concerning fairs and expositions changed radically, but all efforts are, basically, null and void in the absence of an offer. At least now, we have a slogan: “simply surprising”. One can not expect Romanian tour – operators to sustain advertising campaigns<sup>211</sup>. This is not a fashion in any country. Various structures, with direct or mediated support from the state are the ones who have this difficult task. IT investments are also of the essence. Just sites mean nothing. Today, the potential tourist from a rich country navigates portals and compares offers of various destinations, detailed and appetizingly presented. After a careful analysis, it passes to *tourism agencies which are mostly connected to the intranet* (in Romania, this is also lacking, due to high costs). Moreover, *he does not look for a country, rather “an experience” a type of holiday in every chosen destination.* Moreover, costs regarding the actualization of sites on search engines are very high. Efforts made by a few private Romanian firms are remarkable, but the low financial power imposes a slow rhythm.

A particular situation is that of **insurance**. Even more scandals rocked the foundations of tourism insurance. In essence, they are a certain supplementary tax perceived by the insurance abroad or by the country subsidy, for granting a visa. In stead of becoming a financing source they

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210 The term «propaganda» designates politics and refers to the statement made concerning using mass tourism as means of political propaganda. Today, things have not change; rather they’ve obtained a new “coat”. Even today, Greece has guides acknowledged by the Greek government as guides; within museum or sites any other explanation by other guides is forbidden. The same goes for other countries.

211 Romanian tourism will be promoted in 2004 with symbolic sums, the ability of tourism agencies to increase their expenses for advertising being pretty limited (according to ANAT). Most tourism agencies allocate 20-30000 EURO/year (ANAT spends 200-250.000 EURO/year) to make its products known. One must underline that only circa 10% of Romania’s population can travel by tourism agencies, which makes funds available relatively small. In 2004, we will have classical methods employed, especially insisting on flyers, spots or participating in major tourist fairs in Madrid, Berlin, London. Most expenses are made by the Ministry of Transportation, Constructions and Tourism.

are an element for price increase, with no other services in counterparty. From the terms of insurance it is obvious that it is not of any benefice towards tourism (until 1997 – 1998 the terms were even more precarious) in exchange however, a good sum of money for the insurer, who quickly repatriates his money. Who are the insurers? Large insurance houses in the west, which established local structures here and in the rest of Eastern Europe and ensure a **profit source with no risk**. The entry of transnational corporations in this field was the quickest, by using consulates which required the **insurance policy**. Romanian companies lost their boom years (1990 - 1994) when most underground affairs developed (at 40 million tourists departed, one can imagine 35 million insurance policies, and from those, only an insignificant number has been used, and this was only in Romania, for 4 years), the sums involved being very big. This was known to the government as well as to consulates. Moreover, “repatriation insurance” for tourism companies was made, to differentiate grey – area tourism, and was not taken into account until the ANAT had the force to impose the preferred solution for the E.U being the liberalization of visas and to send Romanian repatriations on the risk of the Romanian state, for illegal travelers in the Schengen area. Insurance, a basic source with no risk, remained developed by accords with Romanian insurance houses. For the actual situation of Romanian tourism, an analysis of the external balance sheets is needed, which remains in the red.

International tourism balance sheet – million USD -

Years	Income	Expenses	Balance
1985	182	64	118
1990	106	103	3
1995	590	697	-107
1996	529	666	-137
1997	526	783	-257
1998*	260	458	-198
1999*	252	395	-143

- Large variations are due to methodological modifications (currency of tourism agencies is no longer included)
- Source: CNS, Romania’s Statistic Yearbook, 1998, p.729 and CNS, Trimester statistic Yearbook, no. 1/2000 after Rodica Minciu – Economia Turismului

The conclusion is obvious and comes from within. But at the same time we reiterate the multiple ways to escape the statistical system for whole tourism areas, especially leaving abroad. This, on the illegal path, to which underground transfers are added. The bankruptcy of the Turkish Romanian Bank reveals the existence of major illegal transfers. Add a bonus of 10000 USD for every driver which smuggled on the Bucharest Istanbul route. 45-50 buses per day were the usual route. There are cases of companies especially created for the transfer of illegal profits obtained in Romania. And only towards Turkey.

### **5.6 The integration of Romanian tourism within global structures: multinational structures, regional and professional structures, etc.**

To exist on an international tourism plan, to be believable and to beneficiate from real and known warranties, you must join an international organization: WATA, ASTA, PATA, ASI, SITA, etc. Large agencies have between 5 and 14 such logos on their sheets. But this is costly: we need not talk about the Romanian credit system, but about the intervention of the state which must help us have more and more presence in such organizations, because we must do so: there are barely 14 Romanian presences in such organizations. Luckily direct tourism investments appeared: but this is valid only for departures. For arrivals, exceptions, with the role of strengthening the rule (Nouvelle Frontiere...) luckily international hotel chains arrived. Even in relations with these, the lack of concentration leaves Romanian agencies a commission of 10-15%, while favored clients –

CIP – (large transnational companies with activities here) can gain 40-50% (Philips, Connex, etc.). We also notice a pressure from foreign capital companies, but not so much in building an offer as to cartelize departures and obtaining some forceful terms compared to suppliers. I appreciate that foreign capital companies are still in study and are not convinced of a future here, at least on a medium term.

Still, a few steps were taken in this domain. For example, good results by the ANAT, although “foolish pride” and the democracy of the “primary classes” of life in a democratic society created enough setbacks. Now it has its own insurance company and it became a constant partner to local and European political structures, as the involvement in the canceling of the Schengen visas revealed. In the same way we have the Hotels Association, but with a very small number of members, although it established great relations on international levels, where it is well known. Too bad that within the country, results are poorer, hotels being preoccupied by their own profit, as benefices from the FHR are applied to them as well. We have ANTREC and Association Villages Roumains which gyrate around rural tourism. Still, they don’t impose on the outside. The state spent huge amounts for the organization of meetings for EU or NATO integration. Should the “greeting card” have been the same? It was perhaps expected, that patrons of agencies created as a reaction to unemployment to finance them? There was no force. But tenths of thousands of tourists passed the border unaccounted for, with nobody asking about pirate agencies, specialized in commerce and emigration transport, whose patrons were not bothered by anybody. Not even consulates give names: we can understand them, they needed cheap labor! But agencies which worked hard for a future were only subjects for the fiscal system<sup>212</sup>

Another issue must be pointed out: **Romanian investments in tourism abroad:** and I do not mean assets in Egypt<sup>213</sup> or anything like that, etc. I have observed that any company who wants to survive enters the global system and expands abroad. The Kompas case is obvious. The cheapest way is trough tourism offices abroad or by opening subsidiaries. Here, only automotive transporters followed this path – and a few companies, as example. There was a proposal for using the Crescent subsidiaries, but it failed. Here, state intervention is compulsory: free assistance, even subsidized for opening, insuring warranties, etc. It is not only to make Romania work as a destination, but operating on the market as well: Kompas Venice lives from Italian trips to the USA, etc. State involvement needs to be urgent: on the internet we have 1 – 1.5 years at the most. After that, places will be taken. But what do we have to offer? Lack of competitive offer comes from a lack of organization of tourism destinations, of “destination Romania”. Simply Surprising!

### **The future: enigma or certainty**

The tackled theme proves more complex and rich in nuances that it first seemed. The simple incision we tried to make brought forth some fantastic elements, unexpected, able to question either our means of tackling this issue, either the old beliefs. Moreover, it becomes obvious that the strict economic situation of contemporary phenomena is not enough. Concerning tourism, we have revealed hidden aspects, its “painkiller” role in social issues, whether as an element of the standard of living, whether a gauge for labor force occupation and maintaining a development rhythm and capital level as well as the mechanism for using it as a means of mass-media.

International tourism is an argument and expression of globalization, being a prerequisite but a vanguard of this process. For international tourism, the contemporary reality is

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212 To illustrate the absurd and the Middle Age-like era in which we stand, by licensing criteria of a tour-operator, which is not located at the ground or 1<sup>st</sup> floor in a block of flats, can not cash directly: as for internet sales, they are unheard of: fax, phone, telemarketing or selling by post.

213 in 1990, ONT Carpati Bucharest received in patrimony assets in Egypt with which the Egyptian state settled its debts towards Romania: hotels, cruise ships. In 2003, the bankruptcy of ONT Carpati was announced. Of cheap trips, to Egypt, there were some who benefited...

quick and full of surprises. On the 2005-2006 horizons, the time span of a transcontinental trip will shorten. The tourist pole shifted and started to stabilize on the shores of the Pacific. Moreover, from the USA, Canada, China, Korea, Thailand, Australia, etc. there will be several tenths of millions of millionaires who will want to travel. Western Europe prepares for capturing this offer.

We noticed that integration is not an option: it is survival and for West Europeans as well, but also for other areas. This will lead to a strong development of the tourism sector, given that free time increases in more and more countries and it must produce and give value to the capital 24/7.

Transnational structures play an important, even decisive role in developing international tourism. They can not be ignored, as we can not under-appreciate the importance of the state in developing and maintaining tourism activity.

An argument is that tourism, especially international one, is the attribute of developed countries, which have resources to sustain a new economy, of “experiences”. The population of poorly developed countries does not have mass access to holidays, to loisirs. Still, these countries use and may develop their tourism sector, if not for economic growth, at least for stability and especially for the motivation of one’s own population for stabilization and especially for motivating its own population for the surpassing of the transition period.

We looked for possible solutions for integrating these countries in the system of global tourism. One of them may be the “**niche system**”<sup>214</sup>. The tourism potential is enormous, and activity is basically maintained throughout our lives. But living at global standards forces us to spare time, costs and effort and to look for a “niche”, a free place where we can build a natural monopoly. This is the essence of the principle of the strategy of new countries which entered in global tourism.

This goes for Romania as well because we have no resources to waste and must occupy the free niche, the one everybody stumbles upon, and without realizing its value; only then can we set our tax on the “clean air found trough tourism”.

**Still, Romanian tourism is bound to the performances of the Romanian economy, including transnational companies which activate here.**

The 14 years of transition wasted most of Romania’s resources. Romanian capitals were unable to enter global circuits and foreign capitals avoided an early penetration of the Romanian production sector, including services, limiting themselves to exploiting the market or the final consumer. Only in the last few years, after they conquered Romania’s external markets, they became oriented, in onerous conditions, and with poor results, for key sectors, which were immediately profitable. The political sector is to lame, but also Romanian businessmen. None of them can claim lack of information concerning the mechanisms of global economy, at least compared with people in other countries is similar conditions. At the date of the publishing, Romania was passing towards the organization of labor force exports, following the same path as other countries which integrated in the EU. No sector can yet be named, nor a niche which can satisfy Manoilescu’s demand concerning their ability to pay imported goods with Romanian products, needed for production and populace consumption. And this while global capitals are, by their nature, ready to run as soon as another profitable place appears. Treaties concerning EU integration, by their economic component, still provide hope. Unfortunately, lack of transparency stops an analysis and a realistic appreciation. At least, concerning tourism, it is not known publicly if concrete discussions will be or have been initiated.

**For the significant rise of purchasing power, there are no omens in the near future, so it is expected that the development of Romanian tourism can be a bit late. At least the kind of tourism in developed countries. The populace must resign to this state for now, or mobilize itself. But to mobilize means using the English method, Churchill style during bombardments in the Second World War, either those of a strong hand, unacceptable by western standards.**

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214 WATA representative at Cedok – Prague said , as a statement: "I'd give a horse...for a niche"

On the analyzed horizon, we did not see the ability of development for mass tourism, which could create a support for the development of infrastructure or international tourism. From the analysis it was noticeable that the two forms began to evolve differently.

Internal tourism is restricted by low purchasing power (subsidies are just a social cover) as well as by lack of politicians and mechanisms to introduce it as an element of a mass standard of living. Add this to the lack of professionalism of new owners of most privatized assets, as well as lack of information and counseling of those who made new investments. The unattractive characteristic of this area, the lack of short term perspective is put into evidence by the lack of involvement of transnational tourism companies, except foreign tour-operators, of second ranking, and who only limit themselves to outgoing. The few Romanian agencies which began to operate are still in the phase of primitive accumulations.

**A certain soar in incoming tourism will be realized for the cover of earth's "white spot", which is Romania. International tourism as a permanent and intense flow is based on belonging to a regional structure.**

The absence of Romania from global associative type structures must be solved quickly. Survival in the global system is conditioned by information access. Whereas this is made mostly by a participation to conclaves of global technocracy. A state policy is required for an immediate offensive of all actors of Romanian tourism, of the academic environment and research units.

Transnational societies limited themselves to a late entry, basically only in Bucharest, the only city which can ensure a fulfilling profit by passing investment efforts to Romanian societies. The same restriction appears: lack of purchasing power from the local business community which must ensure a minimal exploitation of tourism facilities. But also poor attraction, for clients abroad.

The infrastructure is in modernizing process and a few years are required until a compatible level with western countries is being reached. The "traditional" area, the Romanian seashore requires investments, mostly ecological. Substitution areas, are whether not equipped for contemporary standards (Transilvania, North Moldova, Danube Delta) or are reduced as a volume of possible clients (cycle-tourism, climbing, adventure tourism, etc.) or are out of fashion (treatment resorts). There are solutions for all of them. These must not be expected from transnational corporations, who only come here for maximum profits, but they must be built for internal effort. This must be driven by a tight schedule, professionally, at least over the next few years.

The major responsibility belongs to the political factor and the education system, which can supply the formation of young owners and tourism businessmen but also operative personnel for both the internal activity, as well as the integration of more and more Romanians in transnational structures abroad, to enter the global tourism "technocracy". Of the highest priority we have the personnel for the organization and management of "destination Romania".

**Details have been exposed for each element.** One can claim that we do not give a practical solution, a list of needed actions. Such a paper is included however in political economy, responsibilities which the state assumes in completing the issues negotiated and agreed upon by private actors. It establishes the objectives and resources that are allocated, on a certain time span. We have no grounds yet: private actors are dispersed, they do not have a common strategy and the state prepares for elections. A theoretical endeavor is of no use, and may even be counterproductive in talks for establishing a strategy because it creates precedents which will not be valid in quite a short time. Moreover, we have no access to first hand information, only statistics, but more importantly, we need information concerning stock holders, the policies of different companies, real accounting data, the level and structure of consumption, etc.<sup>215</sup>. We have been forced to limit ourselves to reveal the areas of issues, of international standards and to offer

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215 There were ideas in the media as to which the Micula brothers (European Drinks) bought seaside hotels to modernize them and then sell them. Whereas, the certainty of such a policy pushes the exploitation comeback term for at least another year for most of Neptun resort, for example.

several solutions. The practice is business, not literature. With this book, we try to create an opening towards the thinking and actual way of tourism as it is practiced into developed countries. From the analysis we observed that the survival of Romanian tourism is bound to its capacity to integrate and activate in the global system so that it can become a partner in seeking solutions for the future.

As a first urgency, we must build “destination Romania” on basis of real competition.

Tourism is a complex activity, with a fragile finality which it needs, to exist and special people and organization. “In times of change, only those who learn continuously can inherit the future. Those who ceased to learn will wake up finding out that they are ready to live in a world that no longer exists” – says Eric Hoffer.

As we present the world, we are at the same time wizards and businessmen. And now, when the world trembles from lust for power and greatness, blood, hunger or disease we are among the few who bring solace. This is why we must meditate on this new dimension of our duty, the effects of our actions. So as not to let the chase for money, glory, power or perfection of the organization not to tread on Aeskulap’s sacred vow, which we should have taken when we started this profession!<sup>216</sup>”

At the horizon of the 21<sup>st</sup> century, the global world is foreseen: information (which will become the “bone structure” of the human world), the wealth system (capitals, financial flows, etc.), by economic systems (which will be more and more interconnected), though politics (restriction of safeguarding existence itself, with the premise of working together and communicating), by the parallel world of imagery which will configure a new face of culture, etc. Nations, peoples have two chances: either to devour each other according to the “homo homini lupus est” (a principle with powerful European roots, but also as broadcast), or to find a new “kingdom”, a global kingdom, of kindness and love (Christian principle, of European origins). Whereas tourism, as a prerequisite of globalization, its stimulant, as is the media (no matter the variant, either classic, or informal, which we propose) will be a conclusive evidence, a palpable example of words and deeds which will be proposed to people all over the world. By it, any man, of any race, can discover the European value of the New Testament, like the Apostle Thomas, to touch and believe reality, in a dimension which is parallel to all others.

### **Addenda: A synthesis presented at the Parc Hotel Initiative group – January 1990**

I will express several personal opinions, a fruit of the experience of 19 years of tourism, concerning the reconstruction of Romanian tourism on the new bases of the popular REVOLUTION.

Tourism activity can not expect the result of elections, for the newly elected to issue laws for tourism, because such a postponement means losing this year’s season. At the same time we can not limit ourselves to a restructuring of Romanian tourism and we are compelled to begin the RECONSTRUCTION.

As a practical way to do that, considering the country’s political scenario, to create a mobile legislative framework, but with elements of stability I would propose the issuing, by the legislative forum, of several general principles, valid for all government institutions and economic organisms which can set the base for departments and establishing political and social life.

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216 216 Rotariu Ilie - *"The European heritage: from national to universal - fundamental coordinates of the historical-cultural - social process and the impact of the present technologies in defining the strategies of European tourism"* presented la ATLAS Winter University - January, 2001, Pecs, Hungary "The past 1000 years – Our common heritage?"



I've stopped at this formula considering the complexity of the tourism activity and the fact that this activity basically includes all branches of the national economy, all social, political and cultural sectors, and for the moment there is no time for such efficient and compelling solution.

For supporting this idea I reveal the definition of the DEX for tourism: 1. sport constituting from the passage of picturesque regions or of a historical or geographical interest, etc. \* roundabout 2. Activity which is a supplier of services and deals with organizing recreational trips. Let us also mention the main forms of material basis, without which the tourism activity would be impossible, according to their owners: the Units of the Tourism Ministry, for accommodations, public alimentation, transport, treatment, etc. and tourism agencies;

- Former units of the "Carpati" Trust, an integrated company including accommodations, public alimentation units, transport, as well as agricultural productive units, workshops, etc.

- Former units for accommodations, public alimentation units, transport, of the UGSR, UNCAP, UICC, The Health Ministry and the Labor Ministry.

- Camps and pioneer colonies, of the Education Ministry

- Material basis of the BTT – hunting lodges, resting places, etc., hunting fields and fishing locations of the Forests' Ministry, AGVPS, etc – the material basis of various institutions, associations, etc.

- Material basis of the Consumption Cooperation

- Material basis of the ACR

- General infrastructure concerning public transport, tourism patrimony given by cities, villages, economic objects, works of art, paths, picturesque areas, etc.

- Cultural material basis, of any nature, of various institutions which practice tourism activity;

- Commercial and service units which provide services for the population, if they take part in the tourism activity

- Material basis of associations, clubs and other informal organizations which take part in the tourist activity: Salvamont, Salvamar, tourism clubs;

Add this to elements resulted of individual initiative, as a result of a new legal framework, which will be more dynamic, completion and pressure in the tourism activity. We believe we illustrated clearly, that due to the complexity of the tourism activity, for the moment we can take into consideration adopting several principles which can be the foundation for the reconstruction of Romanian tourism and on whose basis the activity of tourism regulation can be supported. I wish to make several remarks concerning these principles:

A. COMPETITION PRINCIPLE: In the tourism activity, renouncing state monopoly. A free competition between organizations and tourism firms will allow for a competitive climate, which will unleash energies, which can cope with international competition and ensure better terms for working people, in terms of economic and social efficiency.

B. We believe that, by putting the competition principle into practice, is bound by creating several organizations and tourist firms, either state owned, locally owned, cooperative or individuals, so that the two major tourism objectives can be accomplished by this organization: a good management of the material basis and honoring social commands (ensuring the satisfaction of social needs for the inhabitants of the country, meaning the realization of efficient income).

Let us look into the three material basis of the discussion. Before though, we must underline once more the three sides of the social command in tourism: the first one concerning the insurance of access to recreation, treatment, sport, culture, maintaining a state of health and the second one concerning the realization of maximum income in currency and lei from this activity.

The most debated issue was that of the old "Carpati" Trust material basis, due to the repulsion that public opinion had concerning the former party, as well as one's desire to lay claim to a well-organized material basis, desire motivated by the need to make it available for the people. It is obvious that this basis is superior from the quality perspective and has better chances to bring

international tourism to our country. At the same time it is clear that the people have the right to enjoy it, given its superior quality, but this implies higher prices. A careful analysis also reveals other means. If 10000 tourists pay 800 DM each for a voyage at this base, the country will have enough chances to create the possibility that 10000 Romanian tourists can spend a holiday in the Canary Islands, where the price is similar, bringing the people an impossible scenario before the revolution. What option do we pick? It depends on the nature of the social command. We will come back later to this idea. We wish for a well funded organization and administration system, with tradition, without having the warranty that this new form will ensure a better management. Of course, we must pass this in the administration of state structures (Local Mayors perhaps) and operate where there is the need, changes in personnel needed to ensure credibility in front of the people.

A problem unknown to the public is the material basis of the Tourism Ministry. This only represents part of the tourism basis. As we will show lower, the status of the Transport Ministry is brought into question, meaning its status as an economic supra-structure, to which we object seriously. The actual organization of the Tourism Ministry has the following serious lacking: it institutes a monopoly on external relations, especially commercial ones, it reunites, under the same hand, the contrary interests of tourism agents and suppliers in the field, for the loss of the location and the protection of tourism, it only accounts for a small part of the tourist activity, moreover, due to a profit rush, its activity is represented mostly by uncommon activities: public alimentation, industrial production, en gros selling, etc. moreover, territorial units (OJT) have a double subordination with all the negative effects which follow. I believe that it is imperative to abolish the territorial monopoly of enterprises which supply, basically organized today as sole suppliers (at least at international levels) for any county or resort. The seaside example, where foreign and Romanian tourists oriented towards resorts with better services, leaving resorts empty, is obvious. The segmentation of enterprises from the local tourism offices already has a precedent by the existence of subordinated enterprises (agencies, subsidies, CHR) organized on the territorial principle as well. To ensure a real quality as a result of competition, to give a possibility to both agents and tourists to choose their company, today's structures must be segmented. To put these actions into practice, these must follow particular paths, from case to case, time, social specificity, by a large consultation of those interested, of people who worked in these units. Let us not be frightened that we will no longer have evidence centralized at OJT level, a classical TESA structure. The simplification of evidence can fully compensate the change and multiplication of structures as far as the former notion of complex or even unit. Popular commissions will control and coordinate the activity by balance sheets of the respective units, as well as by local control organisms which are concerned with the quality of life.

The third major issue we must tackle is the one of the material basis of the former UGSR, UNCAP, etc. Especially the UGSR basis is left in suspension, without coherent organization. This basis is destined to the resolution, with minimum cost, of the social command to insure resting and treatment for working people. Moreover, these organisms were the most powerful tourism agencies, both by lordship of major distribution lines as well as low prices due to subsidies. In this case we must also establish the convenient system of administrating these bases, which already have some functioning structures. It is very important, in this field, to institute control over the resolving of that part of the social command which can ensure the repartition of the material support in an equitable fashion and grant access to all social categories in all areas of the country. In a competitive climate between tourism agencies, some geographical areas may come to be without offer, a thing which must be avoided, but on economic grounds. The same goes for granting access to different existing bases. One must ensure the possibility that working people can use them at low prices. We insist on this aspect, as any expense for leisure and recreation refers to an increase in the costs of social existence. In this way, we propose the institution of a tax, either on the operations of tourism agencies, or the activity of owners of material bases to fund a fund which is at the use of a national social agency, that can afford to

practice lower price towards the population, thus ensuring the equitable access for all social categories and all geographical areas. Of course, the power for economic influence of this agency must be correlated with the influence of international tourism. Moreover, a quota of currency income made by tourism must be governed by the agency, for tourism with Romanians abroad. The resulting syndicates will be able to grant facilities to their members, considering their power and desire.

We do not wish to close this discussion of this principle without several considerations on the new sector of the individual initiative which will appear soon. First though, a problem of social psychology. We still live under the sign of countless years of restraints, or under the psychology of the "queue", the requirement to distribute "in an orderly fashion", so that each may get some. Moreover, we are confronted with the defeat of the conviction that "we pretend to work, the state pretends to pay us", that incomes must be equal, theoretically admitting that work must be paid. Yet we are afraid, as a result of deliberate brain washing, for someone to get rich. Whereas, a new economic orientation, reveal as a paramount prerequisite, the possibility of unlimited earnings through labor. This sector needs encouragement (the experience of other socialist states is eloquent) so that free initiative is available for all, with all the other organizations, organisms, and tourism enterprises, of the same terms, to unleash energies and absorb labor force. I repeat, the more people will benefit from tourism services, the more the degree of health increases and ergo costs for social assistance will decrease, no matter if the services are offered by the state or an individual sector.

C. Reforming the wages system. First by canceling retribution by the plan level achieved. This untidy principle lead to the overdevelopment of goods commercialization, industrial production, etc. the giving up of quality for volume. Retribution must be bound only by valuable and quality results. Then, by transforming the principles of the salary system itself. The actual wage system does not repay work, rather work experience, this being the basis for obtaining higher salaries. We propose that, the salary Department within the ministry has talks with future syndicates, to establish minimum and maximum levels of the salary for every job in the book, and within this interval, enterprises can freely establish the level of salary for every worker, as compared to the plus brought in a given period, a level which is the base for data written on every work sheet, compared to the plus brought within a certain period. For all sectors which cash directly, let there be used the system of individual tariffs and quotas, negotiated with the syndicates. A stimulating system must be introduced for economic personnel, for all workers as similar to that of the activities such as innovation and invention. Let us not forget that, the most eloquent example, a TESA personnel can bring benefices of millions through an individual action or product, and the first which could get it had to settle within the maximum level, established by "proportion" The salary compartment within the Ministry must identify clear methods used worldwide and militate for their experimentation and introduction.

D. Of the utmost importance, essential even, is THE SEPARATION OF TOURISM AGENCIES FROM SUPPLIERS OF SERVICES. One can not admit that the same management solves with their left hand the claim they got in their right hand. Without the passage to contractual relations and economic independence of tourism agencies, one can not ensure the QUALITY nor develop it through healthy economic principles, proven by the practice of tourism activity. MORE STATE AND INDIVIDUAL TOURISM AGENCIES MUST BE CREATED, which can act on the national and international markets, to give clients the opportunity to choose their partner through its seriousness and who manages to ensure quality and thus assure his existence. But let it be extended, in real life, the possibility that local agencies develop their activity on the international market. We do not exclude the possibility of the existence of integrated enterprises.

E. The entire system for evidence was polluted, oversaturated, by the activity for preventing stealing, and personnel enrichment. I believe we must support the introduction of a new system of global evidence and management, which can ensure THE INTEGRALITY OF THE PATRIMONY, THE SYNTHETIC IMAGE OF THE ACTIVITY AND RESULTS OBTAINED,

and which does not start from the false premise that workers are unfair. Respecting trade rules, preventing stealing can be done by an analysis of services and an efficient and imperative control. The elaboration of protection laws for the tourists, which sanctions quality rejects will ensure a normal, honest development of the activity. A largely usable international practice is well-known here, even government accords. The lack of such laws, compared to negative influences on services provided for Romanian tourists will make it impossible to resist international competition. No matter how much restraint will be due to bureaucracy, some management personnel which falsely see their position threatened, opportunists, the actual course of the Revolution leads down this path. But by losing this season, we will need years, many years and a lot of money to put Romanian tourism back on its feet. And doing so means REBUILDING it. The actual organizational system has proven its incapacity throughout time. Adopting a system of principles for the reconstruction of Romanian tourism may allow the needed organizing of a temporary framework for development of tourism ever since this season.”

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- Journal of Quality of Life Research in Leisure and Tourism
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- Scandinavian Journal of Hospitality and Tourism
- Tourism & Hospitality

Tourism and Hospitality Planning & Development  
Tourism Hospitality – continuum – [www.continuunbooks.com](http://www.continuunbooks.com)  
Tourism and hospitality Planning & Development [www.tandf.co.uk/journals](http://www.tandf.co.uk/journals)

## **Annex 1**

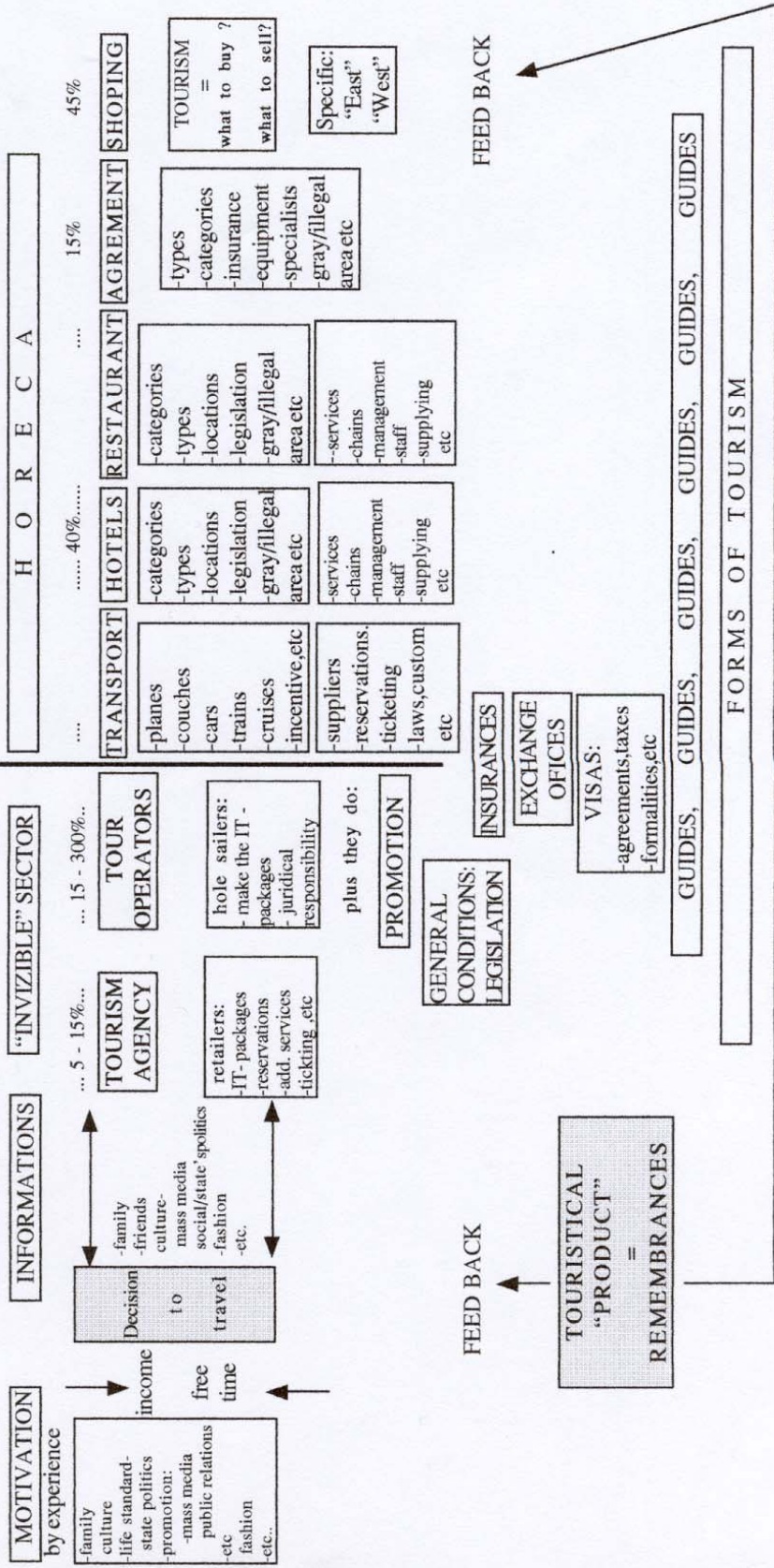
THE POLITICS OF THE GROUP OF STATES-STATE / SOCIAL CONTRACT  
 THE LEGISLATION FOR TOURISM

POLITICAL, ECONOMICAL TOURISTICAL SYSTEMS etc., ASSOCIATIONS, FOUNDATIONS, AGREEMENTS etc

WORLD TOURISM ASSOCIATIONS etc ---> THE AGREED LEGISLATION

NATIONAL ASSOCIATIONS: AFTA, ANAT, ASTA, ETC  
 INTERNATIONAL ASSOCIATIONS:  
 WATA, IATA, PATA, ETC  
 RULES OF CONDUCT:  
 Code of conduct, Package Holidays Directive, EC  
 INTERNATIONAL AGREEMENTS

-NATIONAL LEGISLATION:  
 rules for trade, classification of tourism settlements, rules for foreigners,  
 custom taxation, etc. etc  
 -INTERNATIONAL AGREEMENTS  
 -INTERNATIONAL ASSOCIATIONS; FMCG, IHO, HCIMA etc,  
 -PERSONAL RELATIONS, GROUPS OF INTERESTS etc.



**Argument** = 1. Oral disagreement; verbal altercation, opposition, contention 2. a discussion involving different points of view; debate. 3. Process of reasoning; series of reasons 4. a statement, reason, or fact for or against a point 5. An address or composition intended to convince or persuade 6. Subject, matter, theme 7. An abstract or summary of the major points in a work of prose or poetry, or of sections of such a work

**Culture**: 1. The quality in a person or society that arises from a concern for what is regarded as excellent in arts, letters, manners, scholarly pursuits etc... 3. A particular form or stage of civilization, as of a certain nation or period: *Greek culture*. 4. Development or improvement of the mind by education or training... 6 the sum total of ways of living built up by a group of human beings and transmitted from one generation to another...

**Economic** = adj. 1. Pertaining to the production, distribution and use of income, wealth and commodities. 2. Of or pertaining to the science of economy, 3. Pertaining to a system of organization or operation, esp. of the process of production...

**Economics** = 1. The science that deals with the production, distribution and consumption of goods and services, or the material welfare of humankind...

**Economy** = ... 3. The management of the resources of a community, country, etc. esp. with a view to productivity... 5. The disposition or regulation of the parts or functions of an organic whole, an organized system or method. ...8. Theol. A. the divine plan for humanity from creation through redemption to final beatitude

**Expression** = 1. The act of expressing or setting forth in words 2. a particular word, phrase, or form of words 3. The manner or form in which a thing is expressed in words; wording; phrasing 4. The power of expressing in words...

**Global** = 1. Pertaining to the whole world; worldwide; universal

**Globalism** = the attitude or policy of placing the interests of the entire world above those of individual nations.

**Globalize** = to extend to other or all parts of the globe; make worldwide.

**Hospitality**: 1. the friendly reception and treatment of guests or strangers 2. The quality of disposition of receiving and treating guests and strangers in a warm, friendly, generous way

**Journey** = a traveling from one place to another, usually taking a rather long time; trip Syn.

excursion, jaunt, tour **leisure**: 1. freedom from the demands of work or duty 2. Time free from the demand of work or duty, when one can rest, enjoy hobbies or sport 3. Unhurried ease. Science = 1.

**A branch of knowledge or studies dealing with a body of facts or thrush systematically arranged and showing the operation of general laws. 2. Systematic knowledge of the physical or material world gained through observation and experimentation system 1. An assemblage or combination of things or parts forming a complex or unitary whole. 2. Any assembling or set of correlated members: a system of currency. 3. an ordered and comprehensive assemblage of facts, principles, doctrines or the like in a particular field of knowledge or thought: a system of philosophy. ... 6. Due method or orderly manner of arrangement or procedure: There is no system in this work. ... 12 (sometimes cap.) the prevailing structure or organization of society, business, or politics or of society in general, establishment (usually prec. by the): the work within the system in stead of trying to change it. Technical = 1. Belonging or pertaining to an art, science, or the like: technical skill. 2. Particular to or characteristic of a particular art, science, profession, trade, etc. technical details.**

**Technical** = 1. Belonging or pertaining to an art, science, or the like: *technical skill*. 2. Particular to or characteristic of a particular art, science, profession, trade, etc. *technical details*.

**Technocracy** = 1. A theory and movement, prominent about 1932, advocating control of industrial resources, reform of financial institutions and reorganization of the social system, based on the findings and engineers. 2. Application of this theory.

**Technocrat** = 1. Proponent, adherent, or supporter of technocracy. 2. A technological expert, esp. one concerned with management or administration. (1930-38)

**Terror** = 1. Intense, sharp, overmastering fear 2. An instance or cause of intense fear or anxiety; quality of causing terror 3. Any period of frightful violence or bloodshed like the Reign of Terror in France 4. Violence or threats of violence used for intimidation or coercion; terrorism 5. Informal. A person or thing that is especially annoying or unpleasant.- Syn. **TERROR**, **HORROR**, **PANIC**, **FRIGHT** all imply fear in the presence of danger or evil. **TERROR** implies an intense fear that is somewhat prolonged and may refer to imagined or future dangers. **HORROR** implies a sense of shock at a danger that is also evil, and the danger may be to others rather than to oneself **PANIC AND FRIGHT** both implies a sudden shock of fear. **FRIGHT** is usually of short duration **PANIC** is uncontrolled and unreasoning fear

**Terrorism** = 1. The use of violence and threats to intimidate or coerce, esp. for political purposes 2. The state of fear and submission produced by terrorism or terrorization 3. a terrorist method of governing or resisting a government

**Terrorist** = a person, usually a member of a group, who uses or advocates terrorism 2. A person who terrorizes or frightens others 3. (Formally) a member of a political group in Russia aiming at the demoralization of the government by terror 4. An agent or a partisan of the revolutionary tribunal during the Reign of Terror in France 5. Of. Pertaining to or characteristic of terrorism or terrorists.

**Terrorize** = 1. To fill or overcome with terror 2. To dominate or coerce by intimidation 3. To produce widespread fear by acts of violence, as bombing

**Tour** = 1. A traveling around from place to place 2. A long journey including the visiting of a number of places in sequence, esp. with an organized group led by a guide 3. A brief trip through a place, as a building or a site, in order to view or inspect it 4. A journey from town to town to fulfilling engagements. 5. To guide (someone) on a tour

**Tourism** = 1. The activity or practice for touring, esp. for pleasure 2. The business or industry of providing information, accommodation, transportation and other services to tourists 3 the promotion of tourist travel, esp. for commercial purposes

**Tourist** = a person who is traveling esp. for pleasure

**Travel** = 1. To go from one place to another, as by car, train, plane, or ship; take a trip; journey 2. To move or go from one place to another 3. To go from place to place as a representative of a business firm 4. To travel, journey or pass through or over, as a country or road...

**Traveler** = 1. A person or thing that travels 2. A person who travels or has traveled in distant places or foreign lands...8. a member of any of a number of traditionally itinerant peoples of the British Island and other English-speaking areas, including in addition to people of Gypsy origin, autochthonous groups such as speakers of Shelta...

**Trip** = 1. A journey or voyage 2. A journey, a voyage or run made by a boat, train, bus or like between two points 3. A single journey or course of travel taken as a part of one's duty, work etc.

**Visit** = to go to and stay with (a person or family) or at (a place) for a short time for reasons of sociability, politeness, business or curiosity etc... **Visitor** = a person who visits, as for reason of friendship, business, duty, travel or the like

## Annex 4

### World's Top Tourism Destinations by International Tourist Arrivals

Rank	1950	World Share	1970	World Share	1990	World Share	1999 <sup>1</sup>	World Share
1	United States		Italy		France		France	
2	Canada		Canada		United States		Spain	
3	Italy	71%	France	43%	Spain	38%	United States	36%
4	France		Spain		Italy		Italy	
5	Switzerland		United States		Hungary		China	
6	Ireland		Austria		Austria		United Kingdom	
7	Austria		Germany		United Kingdom		Canada	
8	Spain	17%	Switzerland	22%	Mexico	19%	Mexico	15%
9	Germany		Yugoslavia		Germany		Russian Fed	
10	United Kingdom		United Kingdom		Canada		Poland	
11	Norway		Hungary		Switzerland		Austria	
12	Argentina		Czechoslovakia		China		Germany	
13	Mexico	9%	Belgium	10%	Greece	11%	Czech Rep	11%
14	Netherlands		Bulgaria		Portugal		Hungary	
15	Denmark		Romania		Malaysia		Greece	
	Others	3%	Others	25%	Others	33%	Others	38%
<b>Total</b>	<b>25.3 million</b>		<b>165.8 million</b>		<b>457.2 million</b>		<b>664.4 million</b>	

Source: World Tourism Organization (WTO)

(Data as collected in WTO database October 2000)

	<b>MODERNIST FORDISMUL</b>	<b>COMMUNIST ECONOMIES</b>	<b>POSTFORDISM POSTMODERNIST</b>
1789 French Revolution	MASS PRODUCTION	PRODUCTION ORIENTATED TOWARDS PRODUCTION	PRODUCTION ORIENTATED TOWARD THE CONSUMER
1848 European revolution Marx Printed the Manifest of Communist Party	NATIONAL STATE	SOCIALIST CAMP	GLOBALISATION
<b>ANGLIA</b>	HEIR ARCHY (on vertical)	PARTY DISCIPLINE	UNIFORMITY (on horizontal)
1870 Education Act	SOCIETY OF COLECTIVITIES	"THE UNITY OF THE PEOPLE AROUND THE PARTY"	FRANGMENTL SOCIETY "INDIVIDUALISED"
1908 Pensions Law	SOCIAL GROUPS (Families, occupations)	WORKING PEOPLE	THE INDIVIDUA; ("buy the life style")
1911 National Insurances	SOCIAL CLASSES (data)	NOMENCLATURA, WORKING CLASS AND SOCIAL COLECTIVITIES	GROUP – TRIB – GAG (Chosen)
1934 Unemployment Act	PRODUCTION IS LEADING	THE PARTY LEADS	CONSUMATION LEAD
<b>SUA</b>	UNIFICATION - STANDARDISATION	UNIFORMITY	ETHEROGENITY - ARMONISATION
1907 Ford System	VALOARE A UTILITĂȚII (exchange value)	PLAN LEVEL (Plan values)	VALUE OF SYMBOL
1933-1943 Development of labour unions: from 3 to 13.5 mil.	PERMANENCE	CERTITUDE – TRUST IN VICTORY	PASAGER / EFFEMER
1936 The New Deal	PLANIFICATION	STRICT PLANING	SPONTANOUSLY / IMPROVISATION
<b>1947 Start of COLD WAR</b>	REGLEMENTATION	STRICT REGLEMENTATION	DEREGLEMENTAION
<b>1944 – 19 76 the development and the maturation of welt fear state</b>	CERTITUDE	TO INDULGE IN, TO SUPPORT	RISC, INCERTITUDE
<b>1976 – 1984 The new economic realism and the restructuring of wealth fear state</b>			
<b>1985 – 1990 the post fordism state: flexibility and drawn out of investments</b>			

## Annex 6

### WTTC Members

<p><b>PRESIDENT</b> Jean-Claude Baumgarten</p> <p><b>CHAIRMAN</b> Sir Ian Prosser Chairman InterContinental Hotels Group</p> <p><b>VICE CHAIRMEN</b> American Airlines Jean-Marc Espalioux Chairman of Management Board &amp; CEO Accor André Jordan Chairman Lusotur S.A</p> <p>Jonathan S. Linen Vice Chairman American Express Company Vincent A. Wolfington Chairman Carey International, Inc.</p> <p><b>EXECUTIVE COMMITTEE</b> Peter Armstrong President &amp; CEO Rocky Mountaineer Railtours David Babai Chairman Gullivers Travel Associates</p> <p>Stephen Bollenbach President &amp; CEO Hilton Hotels Corporation</p> <p>Sebastián Escarrer Vice Chairman Sol Meliá Manuel F. Espírito Santo Chairman Espirito Santo Tourism</p> <p>Edouard Ettetdgui Group Chief Executive Mandarin Oriental Hotel Group</p> <p>Maurice Flanagan CBE Group Managing Director The Emirates Group Michael Frenzel Chairman TUI A.G. David House Group President, Global Network and Establishment Services American Express Company Sol Kerzner Chairman Kerzner International Ltd</p>	<p>Geoffrey J.W. Kent Chairman &amp; CEO Abercrombie &amp; Kent J. W. Marriott, Jr. Chairman &amp; CEO Marriott International, inc</p> <p>David Michels Chief Executive, Hilton Group plc Hilton International</p> <p>Curtis Nelson President &amp; CEO Carlson Companies, Inc.</p> <p>P.R.S. Oberoi Chief Executive The Oberoi Group</p> <p>Henry Silverman Chairman, President &amp; CEO Cendant Corporation</p> <p>Jonathan Tisch Chairman &amp; CEO Loews Hotels</p> <p>Brett Tollman Vice Chairman The Travel Corporation</p> <p><b>GLOBAL MEMBERS</b> Akbar Al Baker CEO Qatar Airways</p> <p>Giovanni Angelini CEO and Managing Director Shangri-La Hotels &amp; Resorts</p> <p>Henrik Bartl Head of Specialized Property Finance Aareal Bank AG Jurgen Baumhoff CEO Qatar National Hotels Company</p> <p>David Radcliffe Chief Executive Hogg Robinson</p> <p>Jay Rasulo President Walt Disney Parks &amp; Resorts Kurt Ritter President &amp; CEO Rezidor SAS Hospitality</p>	<p>Richard Brown Chairman &amp; CEO Eurostar Group Régis Bulot Chairman of the Board Relais &amp; Chateaux Marilyn Carlson Nelson Chairman &amp; CEO Carlson Companies, Inc Alun Cathcart Deputy Chairman Avis Europe U. Gary Charlwood Founder, Chairman &amp; CEO Uniglobe Travel (International) Inc.</p> <p>Jennie Chua President &amp; COO Raffles International Ltd. David Clifton Managing Director, Europe &amp; Asia Interval International Glen Davidson Senior VP, Worldwide Travel Insurance &amp; Related Services American International Group</p> <p>Alain Demissy Chairman Mondial Assistance S.A. Rod Eddington Chief Executive British Airways plc</p> <p>Mathias Emmerich Chairman Rail Europe Group, inc Rakesh Gangwal President &amp; CEO Worldspan Laurence Geller Chairman and CEO Strategic Hotel Capital</p> <p>Henri Giscard d'Estaing Chairman &amp; CEO Club Méditerranée</p> <p>Maurice H. Greenberg Chairman &amp; CEO American International Group plc</p> <p>Naresh Goyal Chairman Jet Airways Richard Helfer Raffles International</p>
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<p>Nigel Knowles Managing Partner DLA Krishna Kumar Vice Chairman The Taj Group of Hotels</p> <p>Hans Lerch President &amp; CEO Kuoni Travel Holding Ltd Manuel Martin Partner CyberDodo Productions Ltd.</p> <p>Wolfgang Mayrhuber CEO Lufthansa Paul McManus President &amp; CEO The Leading Hotels of the World</p> <p>David Mongeau Vice President CIBC World Markets</p> <p>Alan Mulally Executive Vice President The Boeing Company John M Noel President &amp; CEO The Noel Group Tom Nutley Chairman Reed Travel Exhibitions</p> <p>Alan Parker Managing Director Whitbread Hotel Company</p> <p>Jean Gabriel Pérès President &amp; CEO Mövenpick Hotels &amp; Resorts</p> <p>Dionísio Pestana Chairman Group Pestana</p> <p>Stefan Pichler Chairman &amp; CEO Thomas Cook AG</p> <p>Fernando Pinto CEO TAP Air Portugal</p> <p>Richard R. Kelley Chairman Outrigger Enterprises, Inc</p> <p>Phil Bakes Chairman &amp; CEO</p>	<p>Peter Rogers President &amp; CEO Diners Club International</p> <p>Carl Ruderman Chairman Universal Media Bruno Wolfgang Schöpfer Chairman of the Board Mövenpick Hotels &amp; Resorts</p> <p>Robert Selander President &amp; CEO MasterCard International Per Setterberg CEO Global Refund Holdings A.B. Eric Speck Executive Vice President &amp; Chief Marketing Officer Sabre Holdings Corporation</p> <p>Barry Sternlicht Chairman &amp; CEO Starwood Hotels &amp; Resorts Worldwide Ron Stringfellow Executive Chairman Southern Sun Group Lalit Suri Chairman &amp; Managing Director Bharat Hotels Ltd</p> <p>Ian Swain Chairman &amp; CEO Swain Travel Services Inc Kathleen Taylor President, Worldwide Business Operations Four Seasons Hotels and Resorts José Antonio Tazón President &amp; CEO Amadeus Global Travel Distribution Jeffrey Toffler Chairman Coventry Partners</p> <p>Mustafa Türkmen CEO &amp; Managing Director Enternasyonal Tourism Investments, Inc.</p> <p>Gordon Bethune Chairman of the Board &amp; CEO Continental Airlines Raymond Bickson Managing Director The Taj Group of Hotels Raimund Hosch</p>	<p>Hotels &amp; Resorts James Hensley President Allied Europe James Hogan President &amp; Chief Executive Gulf Air</p> <p>Stephen Holmes Chairman &amp; CEO, Hospitality Division Cendant Corporation</p> <p>Xabier de Irala Chairman &amp; CEO Iberia Nuno Trigo Jordão President &amp; CEO Sonae Turismo S.G.P.S., S.A Patrice Vinet Partner Accenture Daniela Wagner Managing Director, International Octopustravel.com</p> <p>Peter Yesawich Managing Partner Yesawich, Peppardine, Brown &amp; Russell</p> <p>HONORARY MEMBERS</p> <p>Lord Marshall of Knightsbridge Chairman British Airways plc Sir Frank Moore, AO Chairman Taylor Byrne Tourism Group Frank Olson Chairman of the Board The Hertz Corporation Gérard Pélisson Co-Chairman, Supervisory Board Accor S.A. Tommaso Zanzotto President TZ Associates</p> <p>CHAIRMAN EMERITUS</p> <p>James D. Robinson III General Partner RRE Ventures</p> <p>PAST CHAIRMEN</p> <p>Robert H Burns Chairman Robert H Burns HoldingsLtd WTTC Chairman (1994-1996) Harvey Golub Retired Chairman &amp; CEO American Express Company WTTC Chairman</p>
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## Annex 7

### World's Top 15 Tourism Destinations

Rank		International Tourist Arrivals (million)		Change (%)	Market share (%)
		2000	2001*	2001*/2000	2001*
1	France	75.6	76.5	1.2	11.0
2	Spain	47.9	49.5	3.4	7.1
3	United States	50.9	45.5	-10.6	6.6
4	Italy	41.2	39.0	-5.3	5.6
5	China	31.2	33.2	6.2	4.8
6	United Kingdom	25.2	23.4	-7.4	3.4
7	Russian Federation	21.2	-		
8	Mexico	20.6	19.8	-4.0	2.9
9	Canada	19.7	19.7	-0.1	2.8
10	Austria	18.0	18.2	1.1	2.6
11	Germany	19.0	17.9	-5.9	2.6
12	Hungary	15.6	15.3	-1.5	2.2
13	Poland	17.4	15.0	-13.8	2.2
14	Hong Kong (China)	13.1	13.7	5.1	2.0
15	Greece	13.1	-		

Source: World Tourism Organization (WTO) ©

(Data as collected by WTO June 2002)

### International Tourist Arrivals by (Sub)region

	International Tourist Arrivals (million)					Market share (%)		Growth rate (%)		Average annual growth (%)
	1990	1995	1999	2000	2001	1995	2001	00/99	01*/00	01*/95
	<b>World</b>	<b>457.3</b>	<b>552.3</b>	<b>652.2</b>	<b>696.7</b>	<b>692.7</b>	<b>100</b>	<b>100</b>	<b>6.8</b>	<b>-0.6</b>
<b>Africa</b>	<b>15.0</b>	<b>20.1</b>	<b>26.3</b>	<b>27.2</b>	<b>28.2</b>	<b>3.6</b>	<b>4.1</b>	<b>3.4</b>	<b>3.8</b>	<b>5.8</b>
North Africa	8.4	7.3	9.4	10.1	10.6	1.3	1.5	6.8	4.8	6.3
West Africa	1.4	1.9	2.5	2.7	..	0.3		6.4		
Central Africa	0.4	0.4	0.5	0.5	..	0.1		7.9		
East Africa	2.9	4.5	5.8	5.8	..	0.8		-1.1		
Southern Africa	2.0	6.0	8.0	8.1	8.2	1.1	1.2	1.7	1.2	5.4
<b>Americas</b>	<b>92.9</b>	<b>109.0</b>	<b>122.4</b>	<b>128.4</b>	<b>120.8</b>	<b>19.7</b>	<b>17.4</b>	<b>5.0</b>	<b>-5.9</b>	<b>1.7</b>
North America	71.7	80.5	86.9	91.2	85.0	14.6	12.3	4.9	-6.8	0.9
Caribbean	11.4	14.0	16.3	17.4	16.9	2.5	2.4	6.9	-3.0	3.2
Central America	1.8	2.6	4.0	4.3	4.4	0.5	0.6	8.9	1.8	9.2
South America	7.9	11.8	15.1	15.5	14.5	2.1	2.1	2.3	-6.2	3.5
<b>East Asia and the Pacific</b>	<b>54.6</b>	<b>81.3</b>	<b>96.8</b>	<b>109.1</b>	<b>115.1</b>	<b>14.7</b>	<b>16.6</b>	<b>12.7</b>	<b>5.5</b>	<b>6.0</b>
North-East Asia	28.0	44.1	55.2	62.5	65.6	8.0	9.5	13.2	5.0	6.8
South-East Asia	21.5	29.2	32.7	37.0	40.1	5.3	5.8	13.0	8.3	5.4
Oceania	5.2	8.1	8.8	9.6	9.4	1.5	1.4	8.9	-2.1	2.6
<b>Europe</b>	<b>282.7</b>	<b>324.7</b>	<b>380.5</b>	<b>402.7</b>	<b>400.3</b>	<b>58.8</b>	<b>57.8</b>	<b>5.8</b>	<b>-0.6</b>	<b>3.6</b>
Northern Europe	29.1	37.6	43.6	44.2	42.0	6.8	6.1	1.2	-4.8	1.9
Western Europe	113.8	116.7	135.7	141.2	140.2	21.1	20.2	4.0	-0.7	3.1
Central/Eastern Europe	43.8	67.1	73.2	76.1	75.8	12.2	10.9	4.0	-0.3	2.1
Southern Europe	88.6	91.8	116.3	126.6	127.6	16.6	18.4	8.8	0.8	5.6
East Mediterranean Eu.	7.4	11.4	11.6	14.7	14.7	2.1	2.1	26.2	-0.1	4.3
<b>Middle East</b>	<b>9.0</b>	<b>13.1</b>	<b>20.5</b>	<b>23.2</b>	<b>22.5</b>	<b>2.4</b>	<b>3.3</b>	<b>13.2</b>	<b>-3.1</b>	<b>9.5</b>
<b>South Asia</b>	<b>3.2</b>	<b>4.2</b>	<b>5.8</b>	<b>6.1</b>	<b>5.7</b>	<b>0.8</b>	<b>0.8</b>	<b>5.4</b>	<b>-6.3</b>	<b>5.2</b>

Source: World Tourism Organization (WTO) ©

(Data as collected by WTO June 2002)

## Annex 8

### World's Top 15 Tourism Earners

Rank		International Tourism Receipts (US\$ billion)		Change (%) 2001*/2000	Market share (%) 2001*
		2000	2001*		
1	United States	82.0	72.3	-11.9	15.6
2	Spain	31.5	32.9	4.5	7.1
3	France	30.7	29.6	-3.7	6.4
4	Italy	27.5	25.9	-5.7	5.6
5	China	16.2	17.8	9.7	3.8
6	Germany	17.9	17.2	-3.7	3.7
7	United Kingdom	19.5	15.9	-18.8	3.4
8	Austria	10.0	12.0	19.7	2.6
9	Canada	10.7	-		
10	Greece	9.2	-		
11	Turkey	7.6	8.9	17.0	1.9
12	Mexico	8.3	8.4	1.3	1.8
13	Hong Kong (China)	7.9	8.2	4.5	1.8
14	Australia	8.0	7.6	-4.8	1.6
15	Switzerland	7.5	7.6	1.6	1.6

Source: World Tourism Organization (WTO) ©

(Data as collected by WTO June 2002)

### International Tourism Receipts by (Sub)region

	International Tourism Receipts					Market share		Growth rate		Average annual
	(US\$, billion)					share (%)		rate (%)		growth (%)
	1990	1995	1999	2000	2001	1995	2001	00/99	01*/00	00*/95
<b>World</b>	<b>263.4</b>	<b>406.5</b>	<b>456.3</b>	<b>474.4</b>	<b>462.2</b>	<b>100</b>	<b>100</b>	<b>4.0</b>	<b>-2.6</b>	<b>3.1</b>
<b>Africa</b>	<b>5.3</b>	<b>8.1</b>	<b>10.6</b>	<b>10.9</b>	<b>11.7</b>	<b>2.0</b>	<b>2.5</b>	<b>2.9</b>	<b>8.1</b>	<b>6.0</b>
North Africa	2.3	2.7	3.5	3.7	4.2	0.7	0.9	3.6	15.6	5.9
West Africa	0.6	0.7	1.0	1.1	..	0.2		4.9		9.7
Central Africa	0.1	0.1	0.1	0.1	..	0.0		0.0		6.6
East Africa	1.1	1.9	2.6	2.6	2.7	0.5	0.6	-0.7	4.5	6.0
Southern Africa	1.2	2.6	3.2	3.4	..	0.6		4.6		5.0
<b>Americas</b>	<b>69.2</b>	<b>99.6</b>	<b>122.3</b>	<b>132.8</b>	<b>122.4</b>	<b>24.5</b>	<b>26.5</b>	<b>8.6</b>	<b>-7.8</b>	<b>5.9</b>
North America	54.8	77.5	92.1	101.0	91.3	19.1	19.8	9.7	-9.6	5.5
Caribbean	8.7	12.2	15.8	16.8	16.9	3.0	3.7	6.6	0.4	6.7
Central America	0.7	1.6	2.8	3.1	3.2	0.4	0.7	10.9	3.9	14.2
South America	4.9	8.4	11.6	11.8	11.0	2.1	2.4	2.2	-6.9	7.0
<b>East Asia and the Pacific</b>	<b>39.2</b>	<b>73.7</b>	<b>74.3</b>	<b>81.4</b>	<b>82.0</b>	<b>18.1</b>	<b>17.7</b>	<b>9.6</b>	<b>0.8</b>	<b>2.0</b>
North-East Asia	17.6	33.5	37.6	41.1	43.1	8.3	9.3	9.2	4.9	4.1
South-East Asia	14.5	27.9	23.8	26.5	25.6	6.9	5.5	11.3	-3.2	-1.1
Oceania	7.1	12.2	12.9	13.8	13.3	3.0	2.9	7.3	-3.5	2.5
<b>Europe</b>	<b>143.2</b>	<b>212.9</b>	<b>233.2</b>	<b>233.0</b>	<b>230.1</b>	<b>52.4</b>	<b>49.8</b>	<b>-0.1</b>	<b>-1.2</b>	<b>1.8</b>
Northern Europe	24.7	32.6	34.8	34.6	30.4	8.0	6.6	-0.8	-12.0	1.2
Western Europe	63.2	82.0	82.9	80.7	80.1	20.2	17.3	-2.6	-0.8	-0.3
Central/Eastern Europe	4.8	22.7	26.1	26.1	27.2	5.6	5.9	0.0	4.3	2.8
Southern Europe	44.6	65.8	79.3	78.2	79.3	16.2	17.2	-1.4	1.4	3.5
East Mediterranean Eu.	5.9	9.7	10.1	13.3	13.1	2.4	2.8	32.8	-2.0	6.6
<b>Middle East</b>	<b>4.4</b>	<b>8.7</b>	<b>11.5</b>	<b>11.5</b>	<b>11.2</b>	<b>2.1</b>	<b>2.4</b>	<b>0.7</b>	<b>-2.5</b>	<b>5.8</b>
<b>South Asia</b>	<b>2.0</b>	<b>3.5</b>	<b>4.6</b>	<b>4.9</b>	<b>4.7</b>	<b>0.9</b>	<b>1.0</b>	<b>7.5</b>	<b>-5.1</b>	<b>7.2</b>

Source: World Tourism Organization (WTO) ©

(Data as collected by WTO June 2002)

## Annex 9

### World's Top 15 Tourism Spenders

Rank		International Tourism Receipts (US\$ billion)		Change (%) 2001*/2000	Market share (%) 2001*
		2000	2001*		
1	United States	64.5	58.9	-8.7	12.7
2	Germany	47.8	45.9	-3.9	9.9
3	United Kingdom	36.3	36.9	1.8	8.0
4	Japan	31.9	-		
5	France	17.7	17.5	-1.4	3.8
6	Italy	15.7	14.2	-9.3	3.1
7	China	13.1	-		
8	Netherlands	12.2	-		
9	Canada	12.1	-		
10	Belgium/Luxembourg	10.2	-		
11	Austria	9.3	9.7	4.0	2.1
12	Republic of Korea	6.2	6.9	11.5	1.5
13	Sweden	8.0	6.8	-15.1	1.5
14	Switzerland	6.2	6.6	5.2	1.4
15	Taiwan (Pr. of China)	6.4	-		

Source: World Tourism Organization (WTO) ©

(Data as collected by WTO June 2002)

### International tourism incomes on sub-regions

	USD		EURO		Cota de piață % 2001		
	2000	2001	2000	2001			
<b>Total mondial</b>		<b>452.2</b>	<b>670</b>	<b>513.6</b>	<b>516.1</b>	<b>750</b>	<b>100</b>
<b>Africa</b>	<b>10.9</b>	<b>11.7</b>	<b>420</b>	<b>11.8</b>	<b>13.1</b>	<b>460</b>	<b>2.5</b>
Africa de Nord	3.7	4.2	400	4.0	4.7	450	0.9
Africa de vest	1.1	..	..	1.2	..	..	..
Africa Centrală	0.1	..	..	0.1	..	..	..
Africa de Est	2.6	2.7	..	2.8	3.0	..	0.6
Africa de sud	3.4	..	..	3.7	..	..	..
<b>America</b>	<b>132.8</b>	<b>122.4</b>	<b>1,010</b>	<b>143.7</b>	<b>136.7</b>	<b>1,130</b>	<b>26.6</b>
America de Nord	101.0	91.3	1,070	109.4	101.9	1,200	19.8
Caraibe	16.8	16.9	1,000	18.2	18.9	1,120	3.7
America Centrală	3.1	3.2	720	3.3	3.6	810	0.7
America de Sud	11.8	11.0	760	12.8	12.3	850	2.4
<b>Asia de Est și Pacific</b>	<b>11.4</b>	<b>82.0</b>	<b>710</b>	<b>89.1</b>	<b>91.6</b>	<b>860</b>	<b>17.7</b>
Asia de Nord-Est	11.1	43.1	660	44.5	48.1	730	9.3
Asia de Sud-Est	26.5	25.6	640	28.7	28.6	710	5.5
Oceania	13.8	13.3	1,410	14.9	14.9	1,580	2.9
<b>Europa</b>	<b>0</b>	<b>230.1</b>	<b>570</b>	<b>252.2</b>	<b>257.0</b>	<b>640</b>	<b>48.8</b>
Europa de Nord	6	30.4	720	37.4	34.0	810	6.6
Europa de vest	7	80.1	570	87.4	89.4	640	17.3
Europa Centrală/Est	1	27.2	360	28.3	30.4	400	5.9
Europa de Sud	2	79.3	620	84.7	88.6	690	17.2
Europa Est Mediterana	3	13.1	890	14.5	14.6	1,000	2.8
<b>Orientul Mijlociu</b>	<b>11.5</b>	<b>11.2</b>	<b>500</b>	<b>12.5</b>	<b>12.6</b>	<b>540</b>	<b>2.4</b>
Asia de Sud	4.9	4.7	820	5.3	5.2	910	1.6

Source: WTO statistics; numbers according to June 2002

## Annex 10

Rank 2011 2010	Company Headquarters	Rooms 2011 2010	Hotels 2011 2010
1 1	Utell Ltd. (Pegasus Solutions) Dallas, Texas USA	971,581 1,139,708	5,456 6,381
2 2	Lexington Services Corp. Irving, Texas USA	495,000 515,000	3,800 3,975
3 3	Unirez Grapevine, Texas USA	376,467 262,050	2,561 1,747
4 —	SynXis Corp. McClean, Va. USA	220,957 —	1,785 —
5 4	Supranational Hotels London, England	187,500 192,500	1,457 1,609
6 5	VIP International Corp. Calgary, Alberta, Canada	159,409 130,475	1,350 1,136
7 8	Hotusa-Eurostars-Familia Hotels Barcelona, Spain	85,750 78,000	975 977
8 7	Leading Hotels of the World New York, N.Y. USA	84,000 82,000	395 380
9 9	Kaytel SA Barcelona, Spain	84,000 74,200	840 742
10 10	SRS Hotels Steigenberger Frankfurt/Main, Germany	77,362 71,362	394 375
11 6	Inde Corp Corp. Chicago, Ill. USA	76,129 90,000	337 418
12 11	Logis de France Paris, France	70,000 65,061	3,500 3,581
13 14	InnPoints Worldwide Albuquerque, N.M. USA	62,938 26,547	623 379
14 13	Associated Luxury Hotels Washington, D.C. USA	41,655 38,083	63 62
15 12	Sceptre Hospitality Resources (SWAN) Englewood, Colo. USA	34,078 53,920	115 105
16 15	Historic Hotels of America Washington, D.C. USA	32,066 31,411	173 167
17 16	Minotel International Lausanne, Switzerland	29,000 31,000	575 725
18 17	TOP International Hotels Duesseldorf, Germany	25,000 30,500	220 245
19 18	Luxe Worldwide Hotels Los Angeles, Calif. USA	22,600 25,000	226 165
20 20	ILÀ-Châteaux & Hotels de Charme Brussels, Belgium	17,676 17,810	401 403
21 19	Flag Choice Hotels Melbourne East, Australia	17,485 23,236	353 435
22 22	Small Luxury Hotels of the World Surrey, England	14,891 14,078	273 270
23 25	Relais & Châteaux Paris, France	14,540 10,500	469 452
24 23	Design Hotels Sausalito, Calif. USA	11,510 12,500	169 170
25 24	Châteaux & Hotels de France Paris, France	10,547 11,407	523 532

## Annex 12

	Year:	1800	1900	1970	mid-2000 % p.a
<b>GLOBAL POPULATION</b>					
1. Total population		903,650,000	1,619,626,000	3,696,148,000	6,055,049,000
2. Urban dwellers (urbanites)		36,146,000	232,695,000	1,353,370,000	2,881,079,000
3. Rural dwellers		867,504,000	1,386,931,000	2,342,778,000	3,173,970,000
4. Adult population (over 15s)		619,000,000	1,074,058,000	2,310,543,000	4,254,647,000
5. Literates		123,800,000	296,258,000	1,475,194,000	3,261,345,000
6. Nonliterates		495,200,000	777,800,000	835,349,000	993,302,000
<b>WORLDWIDE EXPANSION OF CITIES</b>					
7. Metropolises (over 100,000 population)		40	300	2,400	4,050
8. Megacities (over 1 million population)		1	20	161	402
9. Urban poor		18 million	100 million	650 million	1,400 million
10. Urban slum-dwellers		3 million	20 million	260 million	700 million
<b>GLOBAL POPULATION BY RELIGION</b>					
11. Total all distinct religions		700	1,000	6,000	9,900
12. Christians (total all kinds) (=World C)		204,980,000	558,132,000	1,236,374,000	1,999,564,000
13. Muslims		90,500,000	199,941,000	553,528,000	1,188,243,000
14. Nonreligious		300,000	3,024,000	532,096,000	768,159,000
15. Hindus		108,000,000	203,003,000	462,598,000	811,336,000
16. Buddhists		69,400,000	127,077,000	233,424,000	359,982,000
17. Atheists		10,000	226,000	165,400,000	150,090,000
18. New-Religionists		0	5,910,000	77,762,000	102,356,000
19. Ethnoreligionists		92,000,000	117,558,000	160,278,000	228,367,000
20. Sikhs		1,800,000	2,962,000	10,618,000	23,258,000
21. Jews		9,000,000	12,292,000	14,763,000	14,434,000
22. Non-Christians (=Worlds A and B)		698,670,000	1,061,494,000	2,459,774,000	4,055,485,000
<b>GLOBAL CHRISTIANITY</b>					
23. Total Christians as % of world (=World C)		22.7	34.5	33.5	33.0
24. Unaffiliated Christians		9,300,000	36,489,000	106,268,000	111,125,000
25. Affiliated Christians (church members)		195,680,000	521,643,000	1,130,106,000	1,888,439,000
26. Crypto-Christians		900,000	3,571,000	59,195,000	123,727,000
27. Great Commission Christians		21,000,000	77,931,000	277,152,000	647,821,000
28. Church attenders		180,100,000	469,303,000	885,777,000	1,359,420,000
29. Evangelicals		25,000,000	71,726,000	93,449,000	210,603,000
30. evangelicals		21,000,000	77,931,000	277,152,000	647,821,000
31. Pentecostals/Charismatics/Neocharismatics		0	981,000	72,223,000	523,767,000
32. Average Christian martyrs per year		2,500	34,400	377,000	160,000
<b>MEMBERSHIP BY 6 ECCLESIASTICAL MEGABLOCS</b>					
33. Anglicans		11,910,000	30,571,000	47,501,000	79,650,000
34. Independents		400,000	7,931,000	95,605,000	385,745,000
35. Marginal Christians		40,000	928,000	11,100,000	26,060,000
36. Orthodox		55,220,000	115,844,000	139,662,000	215,129,000
37. Protestants		30,980,000	103,024,000	210,759,000	342,002,000
38. Roman Catholics		106,430,000	266,548,000	665,954,000	1,057,328,000
<b>MEMBERSHIP BY 7 CONTINENTS, 21 UN REGIONS</b>					
39. Africa (5 regions)		4,330,000	8,756,000	117,069,000	335,116,000
40. Antarctica (1 region)		0	0	370	3,400
41. Asia (4 regions)		8,350,000	20,759,000	97,329,000	307,288,000
42. Europe (including Russia; 4 regions)		171,700,000	368,210,000	468,480,000	536,832,000
43. Latin America (3 regions)		14,900,000	60,027,000	263,597,000	475,659,000
44. Northern America (1 region)		5,600,000	59,570,000	168,932,000	212,167,000
45. Oceania (4 regions)		100,000	4,322,000	14,699,000	21,375,000
<b>CHRISTIAN ORGANIZATIONS</b>					
46. Denominations		800	1,900	18,600	33,800
47. Congregations (worship centers)		150,000	400,000	1,450,000	3,448,000
48. Service agencies		600	1,500	14,100	23,000
49. Foreign-mission sending agencies		200	600	2,200	4,000
50. Standalone global monoliths		5	35	62	80
<b>CHRISTIAN WORKERS (clergy, laypersons)</b>					
51. Nationals (citizens; all denominations)		400,000	1,050,000	2,350,000	5,104,000
52. Aliens (foreign missionaries)		25,000	62,000	240,000	420,000
<b>CHRISTIAN FINANCE (in US\$, per year)</b>					
53. Personal income of church members, \$		40 billion	270 billion	4,100 billion	15,198 billion
54. Personal income of Pentecostals/Charismatics, \$		0	250,000,000	157 billion	3,508 billion
55. Giving to Christian causes, \$		1 billion	8 billion	70 billion	270 billion
56. Churches' income, \$		950 million	7 billion	50 billion	108 billion
57. Parachurch and institutional income, \$		50 million	1 billion	20 billion	162 billion
58. Cost-effectiveness (cost per baptism, \$)		7,500	17,500	128,000	330,000
59. Ecclesiastical crime, \$		100,000	300,000	5,000,000	16 billion
60. Income of global foreign missions, \$		25,000,000	200,000,000	3.0 billion	15 billion
61. Computers in Christian use (numbers)		0	0	1,000	332 million
<b>CHRISTIAN LITERATURE (titles)</b>					
62. Books about Christianity		75,000	300,000	1.8 million	4.5 million
63. Books on Christian mission		3,000	15,000	65,000	95,000
64. New commercial book titles per year		500	2,200	17,100	25,000
65. Christian periodicals		800	3,500	23,000	35,000
66. New books/articles on evangelization p.a.		50	500	3,100	16,000
<b>SCRIPTURE DISTRIBUTION (all sources, per year/p.a.)</b>					
67. Bibles, p.a.		500,000	5,452,600	25,000,000	53,700,000
68. New Testaments, p.a.		800,000	7,300,000	45,000,000	120,700,000
69. Scriptures including gospels, selections, p.a.		1,500,000	20 million	281 million	4,600 million
70. Bible density (copies in place)		20 million	108 million	443 million	1,400 million
<b>CHRISTIAN BROADCASTING</b>					
71. Christian radio/TV stations		0	0	1,230	4,000
72. Total monthly listeners/viewers		0	0	750,000,000	2,150,000,000
73. for Christian stations		0	0	150,000,000	600,000,000
74. for secular stations		0	0	650,000,000	1,810,000,000
<b>CHRISTIAN URBAN MISSION</b>					
75. Non-Christian megacities		1	5	65	226
76. New non-Christian urban dwellers per day		500	5,200	51,100	129,000
77. Urban Christians		5,500,000	159,600,000	660,800,000	1,160,000,000
<b>CHRISTIAN EVANGELISM</b>					
78. Evangelism-hours per year		600 million	5 billion	25 billion	165 billion
79. Offers per year (hearer-hours p.a.)		900 million	10 billion	99 billion	938 billion
80. Disciple-opportunities per capita per year		1	6	27	155
<b>WORLD EVANGELIZATION</b>					
81. Unevangelized population (=World A)		674,350,000	879,672,000	1,641,245,000	1,629,375,000
82. Unevangelized as % of world		74.6	54.3	44.4	26.9
83. World evangelization plans since AD 30		160	250	510	1,500

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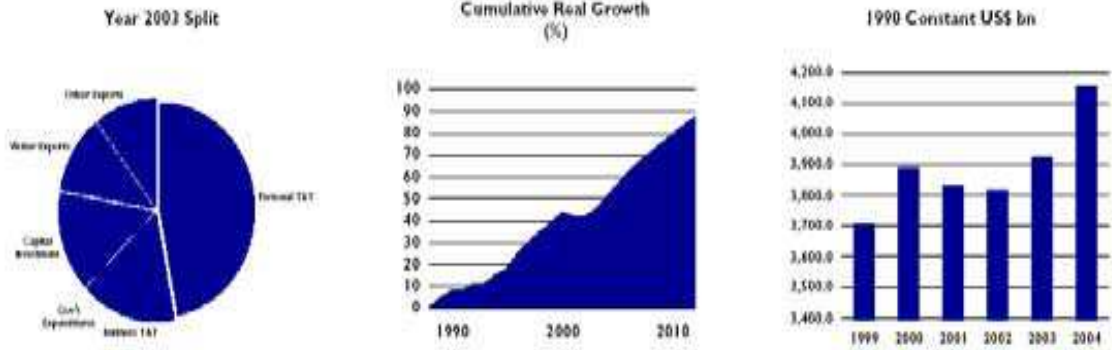
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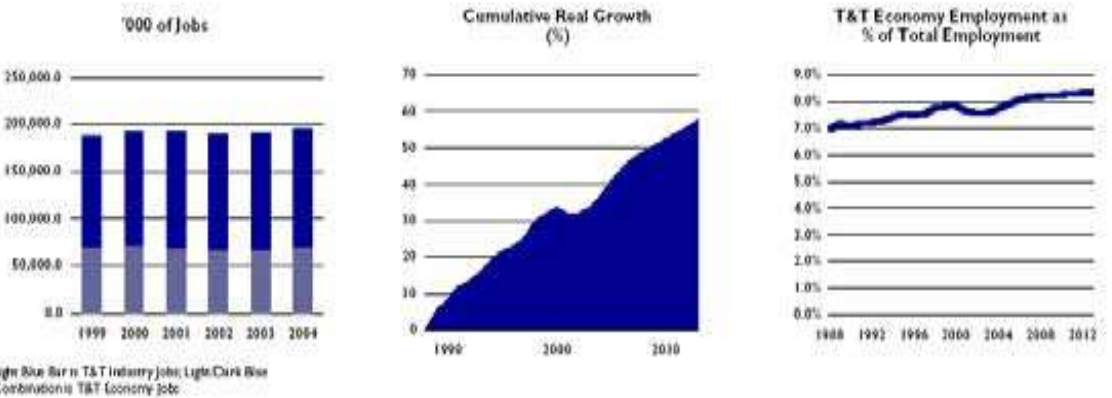
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Annex 14  
TSA indicators concerning tourism activity

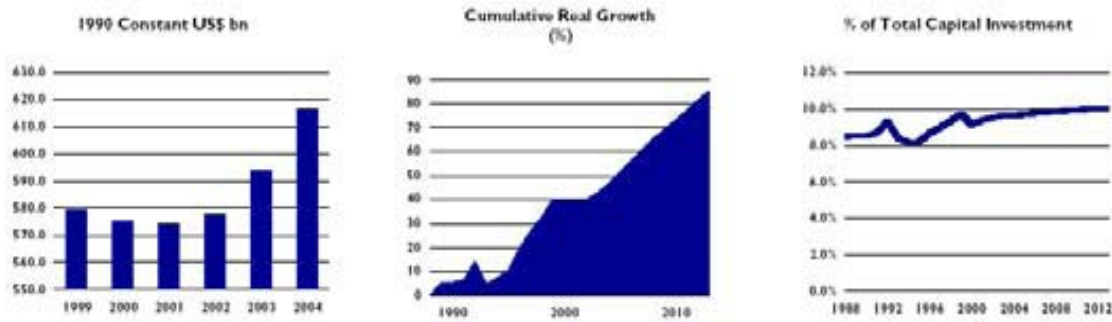
**TRAVEL & TOURISM DEMAND**



**TRAVEL & TOURISM EMPLOYMENT**

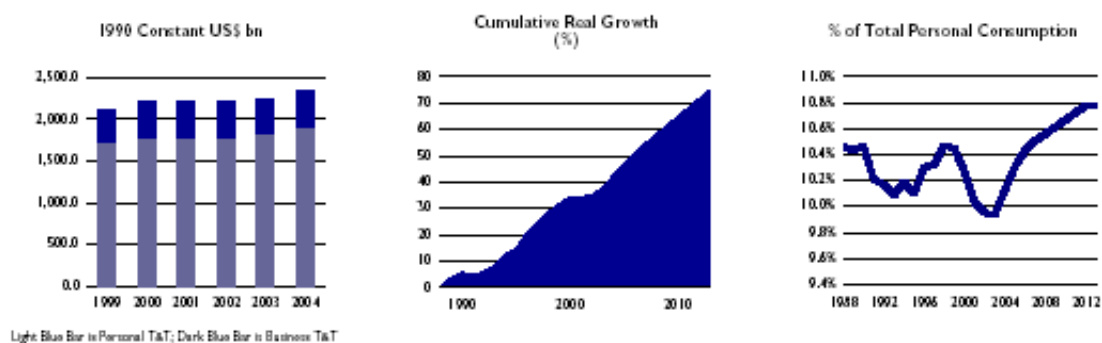


**TRAVEL & TOURISM CAPITAL INVESTMENT**

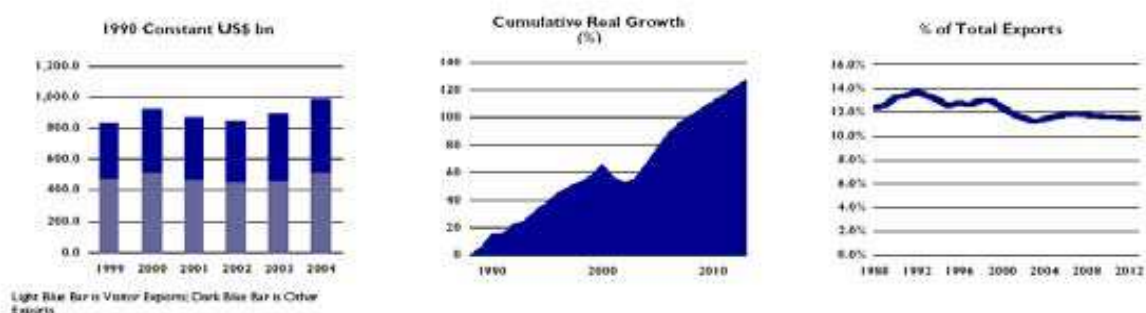




## PERSONAL AND BUSINESS TRAVEL & TOURISM



## TRAVEL & TOURISM EXPORTS



Tourism & Travel consumption represent the value of products and services consumed by visitors. Regarded as an aggregate demand, it is used to define the equivalent of “industry for” comparison with other industries. It includes:

- T&T for personal purpose, known as the value of consumption, which includes resident expenses for T&T services (accommodation, transport, recreation, alimentation, financial services, etc.) and goods (durable or not) used for T&T activity;
- Business travels of government officials or businessmen, which reflect T&T expenses, goods and services (transport, accommodation, nourishment, recreation, etc.), but represent intermediary inputs used for labor of government or business
- Individual government expenses for agencies and departments which supply cultural services to visitors (museums, arts), recreation (national parks), or clarification (immigration, customs) for individual visitors
- Exports towards visitors which include individual visitor expenses for goods and services

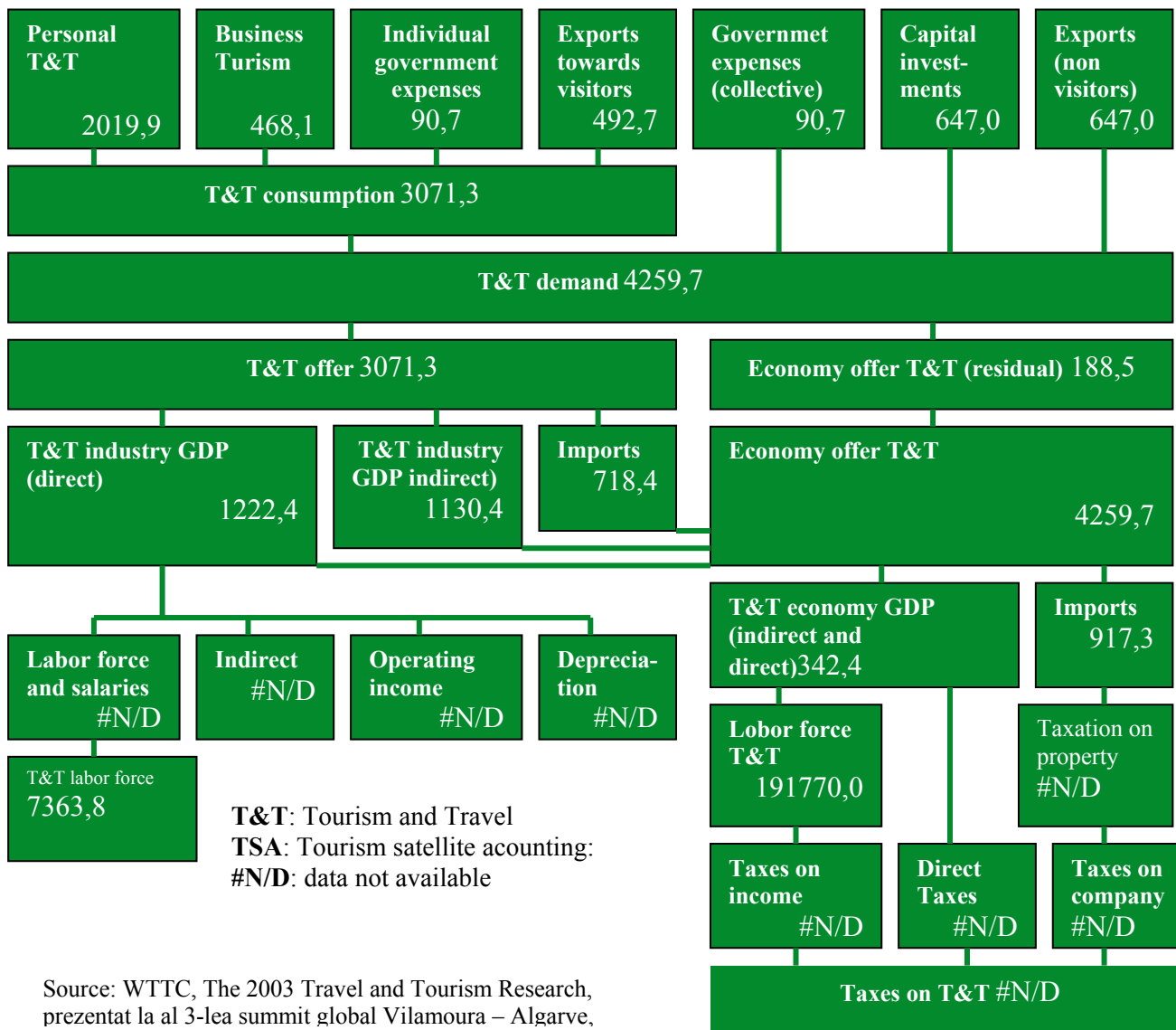
T&T demand built by T&T consumption to include T&T products and services associated with residual components of final demand. It is used to build an enlarged “economy” of the T&T impact. Residual elements of T&T are:

- Government expenses (collective) made by agencies or departments associated with T&T, but mostly made for the community as means of promotion, administration of aviation, security services, sanitary services for resort territory
- Capital investments of T&T suppliers (the private sector) and government (public sector) to supply facilities, equipment and infrastructure for visitors
- Exports (by non-visitors) which include goods consumption send abroad for selling towards visitors (like clothing, electronics or gasoline) or capital goods sent abroad to be used by suppliers from the tourism industry (planes or cruise ships)
- Labor force of the T&T industry: in mostly includes the jobs with contracts with visitors (air transport companies, hotels, car rentals, restaurants, reselling, recreation, etc.)
- Labor force of the T&T economy: includes jobs of T&T industry plus the jobs without direct contact, like: industry suppliers (aviation catering, washing services, food suppliers, wholesalers, accounting firms, etc.); structures of the government, goods manufacturing,
- Buildings and assets or exported ones, used in T&T; goods (producers of steel, carpets, oil products, etc.) Source: WTTC, The 2003 Travel and Tourism Research, presented at the 3<sup>rd</sup> global summit at Vilamoura - Algarve – Portugal 2003

Annex 15

TSA Concepts and Structure

Bilion USD, thousands jobs



Source: WTTC, The 2003 Travel and Tourism Research, prezentat la al 3-lea summit global Vilamoura – Algarve,

Annex 16 TSA indicators by country

Which countries will spend the most for T&T in 2003? mil.USD		
1	USA	764843,0
2	Japan	253614,0
3	Germany	139887,0
4	Great Britain	134723,0
5	France	105235,0
6	Italia	85064,7
7	China	66934,0
8	Spain	60449,5
9	Canada	55846,0
10	Australia	30744,9

Which countries will spend the most for business tourism in 2003? mil.USD		
1	SUA	1397160,0
2	Japan	314405,0
3	Germany	222120,0
4	Great Britain	221989,0
5	China	187351,0
6	France	177538,0
7	Italia	151886,0
8	Spain	114553,0
9	Canada	95692,5
10	Australia	63286,7

Which countries will spend the most for business tourism in 2013? mil.USD		
1	SUA	171712,0
2	Japan	50421,4
3	Germany	37964,3
4	Great Britain	31856,6
5	France	27978,8
6	Italy	27111,7
7	Canada	13277,1
8	Spain	10709,5
9	Holland	8846,9
10	Mexico	7820,0

Which countries will spend the most for business tourism in 2013? mil.USD		
1	USA	294545,0
2	Japan	63815,8
3	Germany	58479,2
4	Great Britain	52513,0
5	Italy	48755,4
6	France	47412,8
7	Canada	23670,7
8	China	19600,3
9	Spain	18602,1
10	Brazil	17054,8

Which countries will spend the most government expenses for T&T in 2003?		
1	USA	84692,3
2	Japan	29640,8
3	France	11297,6
4	Great Britain	9701,9
5	Italy	9061,2
6	Germany	8918,2
7	Spain	8441,6
8	China	7469,3
9	Canada	5771,1
10	Mexico	3550,6

Which countries will spend the most for government expenses for T&T in 2013 mil.USD		
1	SUA	152721,0
2	Japan	41234,5
3	China	18701,6
4	GBR	17203,6
5	France	15842,9
6	Italy	1558,2
7	Spain	12996,6
8	Germany	11826,2

9	Canada	10392,5
10	Australia	5238,8

Which countries will spend the most for capital investments in 2003? mil.USD		
1	SUA	204874,0
2	China	55831,0
3	Japan	44259,0
4	Germany	36506,1
5	Spain	27741,2
6	Great Britain	27219,1
7	France	26652,5
8	Italy	22056,9
9	Mexico	16583,7
10	Australia	13900,8

Which countries will make the largest investments in T&T for 2003 – relative terms (&)		
1	Turkey	18,0
2	Macau	15,1
3	Malaysia	11,7
4	Columbia	11,6
5	Hong Kong	11,0
6	Indonesia	10,9
7	China	10,5
8	Madagascar	10,1
9	Argentina	10,0
10	Bulgaria	9,7

Which countries will spend more for capital investments for T&T in 2013? mil.USD		
1	USA	361115,0
2	China	151800,0
3	Japan	55578,6
4	France	50192,7
5	Mexico	48055,8
6	Germany	47755,9
7	Great Britain	45897,3
8	Spain	45473,2
9	Italy	43040,2
10	Australia	27682,4

Which countries will gain more from exports towards visitors from T&T in 2003? mil.USD		
1	USA	94523,0
2	France	35332,0
3	Spain	32449,0
4	Great Britain	28644,0
5	Italy	26644,0
6	Germany	23778,0
7	China	14857,0
8	Holland	13753,0
9	Former Soviet Union	11522,0
10	Austria	11049,0

Which countries will gain more from exports towards visitors in T&T in 2013? mil.USD		
1	USA	220570,0
2	France	86147,0

3	Spain	75938,0
4	Great Britain	70299,0
5	Italy	64087,0
6	Germany	59013,0
7	China	54878,0
8	Former Soviet Union	33665,0
9	Holland	33300,0
10	Canada	28025,0

Which countries will have the highest increase in T&T demand in 2003 (%)		
1	Turkey	11,6
2	Croatia	10,6
3	Former Soviet Union	10,4
4	Libya	10,1
5	China	10,0
6	Angola	9,7
7	Singapore	9,5
8	Bulgaria	9,3
9	Malaysia	9,3
10	Hong Kong	9,2

Which countries will have the highest T&T demand in 2003? mil.USD		
1	USA	1387820,0
2	Japan	414121,0
3	Germany	308981,0
4	Great Britain	256026,0
5	France	244440,0
6	Italy	188688,0
7	China	167878,0
8	Spain	156965,0
9	Canada	128140,0
10	Mexico	74183,4

Which countries will have the highest T&T demand in 2013? mil.USD		
1	USA	2560410,0
2	Japan	568924,0
3	Germany	544854,0
4	China	498104,0
5	France	476354,0
6	Great Britain	456655,0
7	Italy	364328,0
8	Spain	316128,0
9	Canada	259012,0
10	Mexico	196550,0

Which countries will have the highest GDP in the T&T industry in 2003? mil.USD		
1	USA	462160,0
2	Japan	141585,0
3	France	73814,5
4	GBR	65909,7
5	Germany	63056,7
6	Italy	60969,4
7	Spain	50989,2
8	China	32911,6
9	Canada	29618,0
10	Australia	22699,3

Which countries produce the highest percentage of GDP from T&T, relative terms (&)		
1	Virgin Islands (GBR)	36,6
2	Maldives	34,7
3	Macau	19,0
4	Antigua Bermuda	18,7
5	Seychelles	18,6
6	Anguila	17,8
7	Malta	14,7
8	Vanuatu	14,4
9	Cyprus	13,5
10	Bahamas	13,3

Which countries will have the largest GDP in the T&T industry in 2003? mil.USD		
1	USA	808408,0
2	Japan	168419,0
3	France	127819,0
4	Italy	109260,0
5	Great Britain	103525,0
6	Spain	98748,7
7	Germany	94429,3
8	China	88235,2
9	Canada	50286,3
10	Australia	45370,7

Which countries will have the highest GDP in T&T economy in 2003? mil.USD		
1	USA	1180140,0
2	Japan	360413,0
3	Germany	212924,0
4	France	191916,0
5	GBR	178478,0
6	Italy	147044,0
7	China	141413,0
8	Spain	132566,0
9	Canada	90880,7
10	Mexico	58597,2

Which countries will have the largest GDP in the T&T economy in 2003? mil.USD		
1	USA	2059540,0
2	Japan	460522,0
3	China	391490,0
4	France	348410,0
5	Germany	333694,0
6	Great Britain	288814,0
7	Italy	267249,0
8	Spain	254659,0
9	Canada	166397,0
10	Mexico	151211,0

Which countries will generate the highest number of jobs in T&T in 2003? Thousands jobs		
1	China	14027,7
2	India	11093,1
3	USA	6480,5
4	Indonesia	2853,8
5	Japan	2674,2

6	Brazil	2178,0
7	Thailand	1358,3
8	France	1337,2
9	Spain	1279,3
10	Germany	1204,2

Which countries will generate the highest number of jobs in T&T in 2003? Thousands jobs		
1	China	16092,5
2	India	12659,9
3	USA	7136,4
4	Indonesia	4336,1
5	Brazil	3016,2
6	Japan	2526,4
7	Thailand	1775,0
8	Spain	1697,3
9	Former Soviet Union	1622,2
10	Egypt	1604,6

Which countries will generate the highest number of jobs in T&T economy in 2003? Thousands jobs		
1	China	54356,3
2	India	23839,8
3	USA	16347,9
4	Indonesia	7964,6
5	Japan	6558,6
6	Brazil	5231,5
7	Thailand	5183,0
8	France	4159,0
9	Spain	3471,6
10	Germany	3398,6

Which countries will generate the highest number of jobs in T&T economy in 2003? Thousands jobs, relative terms (%)		
1	Virgin Islands (GBR)	95,0
2	Antigua and Barbados	77,9
3	Macau	68,4
4	Maldives	54,8
5	Anguila	24,0
6	Bahamas	51,6
7	Seychelles	48,2
8	Barbados	39,7
9	Oceania	39,1
10	Aruba	37,3

Which countries will generate the highest number of jobs in T&T in 2013? Thousands jobs		
1	China	65849,2
2	India	27684,9
3	USA	17907,0
4	Indonesia	12157,0
5	Former Soviet Union	7452,5
6	Mexico	7385,7
7	Brazil	7036,8
8	Japan	6577,3
9	Germany	4349,4
10	Spain	4232,5

Source: WTTC, the 2003 Travel and Tourism Research, Vilamoura - Algarve – Portugal Summit 2000

## Anexa 17

### Comparative evolution of national and international tourism - billion USD

Year	FOB world export	R*	International service commerce	R*	International tourism income	R*	Percentage of International tourism in:	
							Exports	Service commerce
1980	2003.5	-	362.8	-	102.4	-	5.1	28.2
1985	2547.0	4.9	334.6	-2.1	116.1	2.6	4.6	34.7
1990	3530.0	6.8	751.6	17.6	266.4	5.3	7.5	35.4
1995	4875.0	6.7	1230.0	10.3	393.6	8.2	8.1	32.0
1998	5421.0	-	1317.0	-	441.8	-	8.2	33.6

- Average rhythm for 5 year periods
- Source: statistics of WTO/OMT and WTO/OMC

### Percentage of income in international tourism from export of goods and services in several European countries – 1996

Area - country	Percentage in international tourism (%):	
	Goods export FOB	Service export
Europe total, of which:	8,84	33,35
European Union:	8,05	31,28
Austria	24,31	57,54
Belgium	3,55	16,22
France	9,84	31,90
Germany	3,37	20,76
Greece	39,61	39,83
Italy	11,96	42,94
Great Britain	7,36	24,31
Spain	27,13	62,38
Central and eastern Europe	13,22	53,41
Bulgaria	8,06	28,59
Czech Republic	18,61	49,81
Poland	34,41	85,43
Romania	6,54	33,85
Slovakia	7,63	32,58
Hungary	17,76	44,88

Source: WTO, Compendium of Tourism Statistics, 1998, Madrid

### Area distribution of international tourism travels internationally and modification throughout time -in %-

Year	1960	1970	1980	1990	1995	1999
Area						
Africa						
-arrivals	1,1	1,5	2,8	3,3	3,4	4,0
-income	2,6	2,2	2,6	2,0	1,8	2,3
America (N+S)						
-arrivals	24,1	23,0	21,6	20,5	19,5	18,5
-income	35,7	26,7	24,6	26,7	25,5	28,6
East and Pacific Asia						
-arrivals	1,0	3,0	7,4	11,6	14,7	14,7
-income	2,9	6,1	8,4	14,9	18,5	16,1
South Asia						
-arrivals	0,3	0,6	0,8	0,7	0,8	0,9
-income	0,5	0,6	1,5	0,8	0,9	1,0
Europe						
-arrivals	72,5	70,5	65,6	62,2	59,2	59,3
-income	56,8	62,1	59,5	53,6	51,5	51,5
Middle East						
-arrivals	1,0	1,4	2,1	1,7	2,4	2,6
-income	1,5	2,3	3,4	2,0	1,8	2,2

Source: WTO, Tourism Market Trends World 1985-1994 and WTO, International Tourism Overview 2000



## Annex 18 Accommodation structures with function of tourist lodging; tourism capacity

structures with function of tourist lodging; tourism capacity								
	Number of units							
	1993	1994	1995	1996	1997	1998	1999	2000
Total: of which	2682	2840	2905	29565	3049	3127	3250	3121
hotels and motels	890	924	929	924	935	933	931	943
Tourist inns	31	20	21	20	20	19	22	23
Tourist cottages	171	179	175	170	174	167	165	161
Camping sites	139	133	141	137	137	138	142	140
Villas and bungalows	1255	1279	1324	1308	1275	1203	1145	1066
Children's camps for pupils	180	188	186	188	184	179	176	172
Tourist pensions	16	116	128	155	160	270	322	361
Holiday villages		1	1	1	1	1	1	1
Agro-tourist pensions				61	159	213	341	240
Accommodations on ships				1	4	4	5	5
Existant tourism capacity (places)								
Total: of which	293036	292479	289539	288206	287943	287268	282806	280005
hotels and motels	170430	171497	170329	170178	169479	168683	167477	163907
Tourist inns	1593	917	908	702	729	687	788	836
Tourist cottages	8145	8726	8218	7732	7805	8066	7966	7972
Camping sites	36698	32384	33641	34188	31404	34343	32872	35155
Villas and bungalows	31266	32501	30616	29490	28965	28429	26386	24351
Children's camps for pupils	44665	45668	44678	44075	43333	42719	41400	40149
Tourist pensions	239	748	1117	1447	1899	2854	3752	5012
Holiday villages		38	32	32	36	36	36	36
Agro-tourist pensions				332	783	1003	1643	1729
Accommodations on ships				30	510	448	486	488
Functioning tourism capacity (thousands places-days)								
Total: of which	57434	53255	53540	53639	52027	53164	51275	50197
hotels and motels	40800	38447	37906	37972	36940	37481	36450	35136
Tourist inns	499	146	125	111	137	129	112	59
Tourist cottages	2154	1833	1813	1886	1845	1926	1943	1970
Camping sites	2814	2756	3186	3288	2789	3832	2883	2819
Villas and bungalows	5553	4404	4303	4042	3928	4221	3184	2834
Children's camps for pupils	5584	5429	5821	5780	5525	5578	5241	5523
Tourist pensions	30	234	370	467	587	751	956	1208
Holiday villages		6	12	12	13	13	13	14
Agro-tourist pensions			4	73	166	248	482	462
Accommodations on ships				8	97	85	11	77

Source: Romania's Yearbook 2001

## Annex 19 Structure of foreign visitors on main countries of origin

<i>Foreign visitor arrivals in Romania and the main countries of origin</i>						
	1995	1996	1997	1998	1999	2000
Total	5445	5205	5149	4831	5224	5264
-E.U.	680	713	766	761	765	834
-other European countries	1315	1283	1231	1237	1234	1166
-neighboring countries	160	173	192	206	212	253
-outside Europe	3925	3694	3692	3364	3772	3858
<b>Europe</b>	5240	4977	4923	4601	5006	5024
-of which						
-E.U.	680	713	766	761	765	834
<i>Austria</i>	50	57	58	56	63	66
<i>Belgium</i>	17	17	18	17	18	19
<i>Denmark</i>	8	7	8	9	9	10
<i>Finland</i>	3	2	4	2	4	4
<i>France</i>	52	55	62	64	62	76
<i>Germany</i>	250	264	272	259	249	255
<i>Greece</i>	67	66	74	71	71	70
<i>Ireland</i>	3	3	4	3	3	4
<i>Italy</i>	121	128	140	151	158	189
<i>Luxemburg</i>	1	1	1	1	1	1
<i>Holland</i>	32	38	43	48	47	55
<i>Portugal</i>	1	1	2	2	2	3
<i>UK</i>	48	49	55	54	52	53
<i>Spain</i>	11	10	9	10	10	12
<i>Sweden</i>	16	15	16	14	16	17
Belarus	56	50	80	71	40	28
Bulgaria	714	475	604	464	489	363
Czech Republic	118	98	74	57	70	71
Yugoslavia	239	196	137	112	152	143
Macedonia	53	12	8	8	39	15
Rep. Moldova	1054	1142	1080	1192	1455	1436
Poland	105	133	112	105	103	102
Russia	255	147	136	124	78	83
Slovakia	70	82	104	107	92	80
Turkey	489	427	302	263	281	253
Ukraine	683	587	622	424	319	330
Hungary	639	825	796	829	1031	1203
<b>Africa</b>	14	12	11	10	10	10
Of which Egypt	7	7	5	6	5	5
<b>America</b>	66	75	81	90	84	95
Of which USA	53	61	65	74	69	79
<b>Asia</b>	113	126	125	122	116	126
Of which Israel	37	46	47	49	43	51
<b>Oceania</b>	6	6	7	7	6	7
Unidentified countries	6	9	2	1	2	2

Source: Romania's Statistic Yearbook 2001

## Annex 20: Tourism organized by tourism agencies, of tourism actions and tourism areas

<b>Tourism organized by tourism agencies, of tourism actions and tourism areas</b>					
	1996	1997	1998	1999	2000
Internal tourist actions - total - thousand tourists	1787	1524	1421	1299	1230
- mountain area – cities	448	335	295	343	340
- resorts area	351	308	315	302	307
- seaside area	411	367	382	297	327
- mountain area - villages, paths	175	181	136	111	93
- historical area	108	87	69	70	59
- religious pilgrimage area	11	3	3	4	3
- fluvial cruises	2	3	2	2	1
- various circuits	44	33	18	17	11
- other areas	237	207	201	153	89
Internal tourist actions - total- thousand days / tour	10688	9125	9013	8569	9004
- mountain area – cities	1850	1345	1127	1346	1452
- resorts area	3696	3430	3747	3779	4130
- seaside area	3168	3852	2884	2408	2591
- mountain area - villages, paths	871	760	635	505	385
- historical area	298	188	123	156	180
- religious pilgrimage area	16	7	7	8	7
- fluvial cruises	4	5	5	4	3
- various circuits	99	67	44	36	23
- other areas	686	471	441	327	233
Internal tourist actions - total- average time	6	6	6.3	6.6	7.3
- mountain area – cities	4.1	4	3.8	3.9	4.3
- resorts area	10.5	11.1	11.9	12.5	13.5
- seaside area	7.7	7.8	7.5	8.1	7.9
- mountain area - villages, paths	5	4.2	4.7	4.5	4.2
- historical area	2.8	2.2	1.8	2.2	3
- religious pilgrimage area	1.5	2.3	2.3	2	2.1
- fluvial cruises	2	1.7	2.5	2	2.4
- various circuits	2.3	2	2.4	2.1	2.1
- other areas	2.9	2.3	2.2	2.1	2.6
External actions - total – tourists			266	204	195
-Europe			256	192	182
-Hungary			114	91	84
-Yugoslavia			13	15	14
-Turkey			48	23	25
-Poland			13	5	2
-other European countries			68	58	57
Countries from other continents			10	12	13
Romania's population – thousands inhabitants	22608	22546	22503	22458	22435
% tourists from total population	7.9	6.8	6.3	6.8	5.5
% tourists from abroad population			1.18	0.9	0.87

Sursa: Romania's Statistics Yearbook for 2001

## Annex 21: Arrivals in accommodation units

TOTAL		TOTAL	5 stars	4 stars	3 stars	2 stars	1 star	unclassified
2000	total	4920129	107167	178007	785052	2343168	1042312	464423
	Romanians	4053105	5646	71368	499893	2049617	967427	459154
	Foreigners	867024	101521	106639	285159	293551	74885	5269
2001	total	4874777	117531	173386	807231	2390473	967299	418857
	Romanians	3960268	7927	66929	516037	2061516	896512	411347
	Foreigners	914509	109604	106457	291194	328957	70787	7510
2002	total	4847496	109410	198526	921220	2390266	890771	337303
	Romanians	3848288	18035	76412	573201	2041695	806818	332127
	Foreigners	999208	91375	122114	348019	348571	83953	5176

littoral		TOTAL	5 stars	4 stars	3 stars	2 stars	1 star	unclassified
2000	total	671638	21	8271	64124	353551	167401	78270
	Romanians	638855	21	5028	45730	343252	166560	78264
	Foreigners	32783		3243	18394	10299	841	6
2001	total	659277	50	6500	75859	384361	132335	60172
	Romanians	614808	50	4751	49095	369611	131508	59793
	Foreigners	44469		1749	26764	14750	827	379
2002	total	684909	1419	4841	81748	410906	129016	56979
	Romanians	627103	908	3188	51536	387889	126762	56820
	Foreigners	57806	511	1653	30212	23017	2254	159

balneal		TOTAL	5 stars	4 stars	3 stars	2 stars	1 star	unclassified
2000	total	677495	0	2483	32099	428434	162605	51874
	Romanians	651983		2328	24515	413398	160544	51198
	Foreigners	25512		155	7584	15036	2061	676
2001	total	689575	0	3321	32130	441350	161676	51098
	Romanians	663192		2583	24971	424635	160228	50775
	Foreigners	26383		738	7159	16715	1448	323
2002	total	634353	0	2744	32440	430167	142337	26665
	Romanians	601718		2305	23950	408569	140563	26331
	Foreigners	32635		439	8490	21598	1774	334

cities		TOTAL	5 stars	4 stars	3 stars	2 stars	1 star	unclassified
2000	total	2237397	106914	135765	499974	964906	440353	89485
	Romanians	1579307	5393	40524	283147	775765	386854	87624
	Foreigners	658090	101521	95241	216827	189141	53499	1861
2001	total	2199378	117227	134081	485108	993090	412267	57605
	Romanians	1513300	7639	37997	276671	775093	360286	55614
	Foreigners	686078	109588	96084	208437	217997	51981	1991
2002	total	2257657	107739	142300	551653	1000019	392033	63913
	Romanians	1536615	16875	35125	310290	781946	329560	62819
	Foreigners	721042	90864	107175	241363	218073	62473	1094

Source: Romania's Statistics Yearbook for 2001, Informative Bulletin 2003

## Annex 22: Nights spend in accommodation units

TOTAL		TOTAL	5 stars	4 stars	3 stars	2 stars	1 star	unclassified
2000	total	17646675	187561	511406	2003523	8928254	4035731	1980200
	Romanians	15497317	8748	273844	1193616	8160833	3894446	1965830
	Foreigners	2149358	178813	237562	809907	767421	141285	14370
2001	total	18121688	226019	450509	2177096	9694403	3743172	1830489
	Romanians	15731157	14172	206510	1258371	8844962	3601345	1805797
	Foreigners	2390531	211847	243999	918725	849441	141827	24692
2002	total	17276804	246461	429921	2368966	9419159	3340618	1471679
	Romanians	14742579	34719	183563	1321986	8566186	3179826	1456299
	Foreigners	2534225	211742	246358	1046980	852973	160792	15380

littoral		TOTAL	5 stars	4 stars	3 stars	2 stars	1 star	unclassified
2000	total	4459151	64	51320	421561	2220794	1192371	573041
	Romanians	4192999	64	41795	240257	2149384	1188566	572933
	Foreigners	266152		9525	181304	71410	3805	108
2001	total	4530421	1540	35274	497795	2491367	1061069	443376
	Romanians	4157315	1540	30275	237961	2390645	1056252	440642
	Foreigners	373106		4999	259834	100722	4817	2734
2002	total	4290482	3317	20108	498038	2440797	895378	432844
	Romanians	3855878	2646	15522	233425	2289340	883001	431944
	Foreigners	434604	671	4586	264613	151457	12377	900

balneal		TOTAL	5 stars	4 stars	3 stars	2 stars	1 star	unclassified
2000	total	5406773	0	4902	165028	3429053	1542540	265250
	Romanians	5265048		4634	109134	3356192	1531679	263409
	Foreigners	141725		268	55894	72861	10861	1841
2001	total	5882141	0	13158	184332	3978723	1457568	248360
	Romanians	5732792		9956	129104	3897907	1449053	246772
	Foreigners	149349		3202	55228	80816	8515	1588
2002	total	5628795	0	12126	159661	4008759	1311804	136445
	Romanians	5469168		9875	110064	3908592	1305285	135352
	Foreigners	159627		2251	49597	100167	6519	1093

cities		TOTAL	5 stars	4 stars	3 stars	2 stars	1 star	unclassified
2000	total	4190406	187055	389994	914925	1812797	663479	222156
	Romanians	2841354	8242	182617	482824	1377790	572415	217466
	Foreigners	1349052	178813	207377	432101	435007	91064	4690
2001	total	4197500	223879	338551	963296	1851044	615923	204807
	Romanians	2722830	12082	123098	505510	1362406	523405	196329
	Foreigners	1474670	211797	215453	457786	488638	92518	8478
2002	total	4177133	242704	294997	1127487	1709852	598351	203742
	Romanians	2668576	31633	90491	568230	1288670	488366	201186
	Foreigners	1508557	211071	204506	559257	421182	109985	2556

Source: Romania's Statistics Yearbook for 2001, Informative Bulletin 2003

**Annex 23: Structures for tourism accommodations with functions for tourist lodging on categories of comfort in 2000**

Number of units	total	5*	4*	3*	2*	1*
Total	3121	6	85	284	1068	1059
Hotels	812	3	14	100	396	246
Motels	131			10	60	53
Youth hotels	1					1
Hostels	2			1	1	
Tourist inns	23					
Tourist lodges	161			4	16	62
Camping locations	140			2	15	65
Tourist villas and bungalows	1056	3	63	94	206	479
Children's camps	172					
Tourist pensions	361		7	53	225	72
Agro-tourist pensions	240			19	146	75
Tourist stops	6				1	4
Holiday Villages	1				1	
Accommodations on ships	5		1	1	1	2
<b>Existing accommodations</b>						
Total	280005	1360	4263	21765	110181	78269
Hotels	157848	1327	3243	18170	91354	38303
Motels	6059			351	3249	2243
Youth hotels	16					16
Hostels	91			62	29	
Tourist inns	836					
Tourist lodges	7972			147	822	3235
Camping locations	35155			790	6809	21502
Tourist villas and bungalows	24351	33	756	876	3777	11354
Children's camps	40149					
Tourist pensions	5012		104	1035	2827	980
Agro-tourist pensions	1729			166	1148	415
Tourist stops	263				38	153
Holiday Villages	36				36	
Accommodations on ships	488		160	168	92	68
<b>Percentage of comfort categories according to functioning capacity</b>						
Total	100	0.6	2.8	11.1	43.7	25.3
Hotels	100	0.8	3.4	13.8	54.2	23.9
Motels	100			2.8	58.5	34.4
Youth hotels	100					100
Hostels	100			62	29	
Tourist inns	100					
Tourist lodges	100			5.7	12.9	40.7
Camping locations	100			9.4	19.7	59
Tourist villas and bungalows	100	0.2	6.5	7.4	30.2	41.4
Children's camps	100					
Tourist pensions	100		4.7	26.4	48.6	18.7
Agro-tourist pensions	100			11.7	68.9	19.5
Tourist stops	100				14	58
Holiday Villages	100				100	
Accommodations on ships	100		33	34	19	14

Source: Romania's Statistics Yearbook for 2001, Informative Bulletin 2003

## Annex 24

### The Evolution of major personnel indicators from hotels and restaurants

Years Indicators	1980	1985	1990	1995	1996	1998
Occupied population in HR						
-thousands people	156	167	186	123	116	98
-dynamic index	100,0	107,1	119,2	78,8	74,4	62,8
-percentage of PO in Romania	1,51	1,58	1,72	1,17	1,24	1,11

Source: calculated on the basis of CNS, Romania's Yearbook 1999, page 118, taken after Rodica Minciu – Economia Turismului

### The evolution of tourism labor productivity and determining indicators

Years / Indicators	1990	1991	1992	1993	1994	1995	1996	1997	1998
Services in HR .									
Billion lei (current prices)	70,0	124,0	298,5	435,5	1223,0	1933,5	2722,0	5330,9	14374,4
Dynamic (compared prices)	100,0	59,2	47,2	18,4	21,5	24,9	24,5	19,4	20,1
Occupied population									
Thousands people	186	213	175	131	136	123	116	130	98
Dynamics	100,0	114,5	94,5	70,4	73,1	66,1	62,4	69,9	52,7
Labor productivity									
Thousand lei (current prices)	376,3	194,5	188,8	99,1	110,7	141,7	198,3	125,4	146,7
Dynamics (compared prices)	100,0	51,7	50,2	26,3	29,4	37,7	52,7	33,3	36,3
Source: calculated on the basis of CNS, Romania's Yearbook 1999, pages 367 and 627, taken after Rodica Minciu – Economia Turismului									
Occupied population – thousands of people									
	1993	1994	1995	1996	1997	1998	1999	2000	
total	10062	10011	9493	9379	9023	8813	9420	8629	
-commerce	585	636	865	772	802	835	756	776	
-hotels and restaurants	131	136	123	116	130	98	100	93	
- transportation and storage	497	462	458	448	405	361	310	326	
- financial and banking activities	66	59	71	71	73	76	69	74	
- real estate transactions and services	417	438	324	257	199	243	238	271	
-education	432	437	437	441	426	426	429	421	
-health, social assistance	308	333	333	337	315	317	277	341	
Other branches	7626	7510	6882	6937	6673	6457	7241	6327	
% in total	24.2	23	27.5	26	26	26.7	25.9	26.7	
Total unemployed	1165	1224	998	658	881	1025	1130	1007	

## Annex 25: Entries of foreign tourists in some EU countries

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<i>Population entries on verified data:</i>										
Austria	..	..	..	..	..	..	..	59.2	72.4	66.0
Belgium	54.1	55.1	53.0	56.0	53.1	51.9	49.2	50.7	68.5	68.6
Czech Republic	..	..	..	..	5.9	7.4	9.9	7.9	6.8	4.2
Denmark	17.5	16.9	15.4	15.6	33.0	24.7	20.4	21.3	20.3	..
Finland	12.4	10.4	10.9	7.6	7.3	7.5	8.1	8.3	7.9	9.1
Germany	920.5	1 207.6	986.9	774.0	788.3	708.0	615.3	605.5	673.9	648.8
Hungary	23.0	15.1	16.4	12.8	13.2	12.8	12.2	12.3	15.0	..
Japan	258.4	267.0	234.5	237.5	209.9	225.4	274.8	265.5	281.9	345.8
Luxembourg	10.0	9.8	9.2	9.2	9.6	9.2	9.4	10.6	11.8	10.8
Holland	84.3	83.0	87.6	68.4	67.0	77.2	76.7	81.7	78.4	91.4
Norway	16.1	17.2	22.3	17.9	16.5	17.2	22.0	26.7	32.2	27.8
Sweden	43.9	39.5	54.8	74.7	36.1	29.3	33.4	35.7	34.6	33.8
Switzerland	109.8	112.1	104.0	91.7	87.9	74.3	72.8	74.9	85.8	87.4
<i>Population entries on basis of residence permits or other sources :</i>										
Australia										
Permanent entries	121.7	107.4	76.3	69.8	87.4	99.1	85.8	77.3	84.1	92.3
Temporary entries	..	..	93.2	115.2	124.4	130.2	147.1	173.2	194.1	224.0
Canada										
Permanent entries	230.8	252.8	255.8	223.9	212.9	226.1	216.0	174.1	189.8	227.2
Temporary entries	67.3	60.5	57.0	58.9	60.4	60.9	63.7	68.1	75.5	86.2
France	109.9	116.6	99.2	91.5	77.0	75.5	102.4	139.5	108.1	119.3
Greece	..	..	..	..	..	..	..	38.2	..	..
Ireland	..	..	..	13.3	13.6	21.5	23.5	20.8	21.6	24.1
Italy	..	..	..	..	..	..	..	111.0	268.0	271.5
New Zealand	27.2	25.5	28.9	36.5	46.7	58.6	52.0	38.7	36.2	38.8
Portugal	..	13.7	9.9	5.7	5.0	3.6	3.3	6.5	10.5	15.9
Great Britain	..	203.9	190.3	193.6	206.3	216.4	236.9	258.0	276.9	288.8
USA										
Permanent entries	1 827.2	974.0	904.3	804.4	720.5	915.9	798.4	654.5	646.6	849.8
Temporary entries	1 269.6	1334.5	1355.4	1468.0	1 432.6	1 636.5	..	2141.4	2363.3	2740.6
EU <sup>1</sup>	..	1756.5	1517.1	1309.5	1 296.4	1224.9	1 178.7	1238.7	1312.5	1310.6
EEA <sup>1</sup>	..	1885.7	643.3	1419.1	1 400.7	1316.4	1 273.5	1340.4	1 430.5	1 425.8
North America (permanent)	2 057.9	1226.8	1160.1	1028.3	933.3	1142.0	1 014.4	828.6	836.4	1 077.0
<i>Note: Data from registries concerning the population is not comparable due to different registration criteria</i>										
Numbers concerning Netherlands, Norway and more particularly Germany includes the high number of asylum requests										
<sup>1</sup> Only countries above except for Austria, Greece and Italy										

	total	employed	patron	Freelance workers	Unpaid familiar workers
total	100	56.1	1.1	23.1	19.3
Commerce	100	81.5	8.3	8.6	1.6
Hotels and restaurants	100	92.7	3.4	3.3	0.6

Source: UN Statistics 2002



## Acronyms list

ACR (Automobile Club of Romania)  
AGA (form of share holders Assembly during transition for shares state companies)  
AGVPS (The Association of Sport Hunter and Fishers)  
ANAT (National Association of Tourism Agencies)  
ANTREC (Romanian Association for Ecological and Rural tourism)  
AVAPS (The Agency for Selling of State Assets)  
BTT (Youth Travel Bureau)  
CAER (Council of Mutual Economic Aid) – East equivalent of EU  
CAP (Agricultural Cooperative of Production)  
CIMS (form of share holders Assembly during transition for shares state companies)  
CIS (form of share holders Assembly during transition for shares state companies)  
DEX (Explicative Romanian Dictionary)  
FPP (Private Ownership Found – during privatisation managing 30% of national health given to the population as coupons)  
FPS (State Ownership Found – during privatisation)  
IATA (International Association of Air Transport)  
IHA (International Hotels Association)  
MEBO (form of privatisation towards the workers of the enterprise during privatisation)  
OJT (County Tourism Office)  
ONT (National Office of Tourism in Romania)  
PCR (Communist Party of Romania)  
RAPPS (State Administration of Protocol Assets)  
SIF (Investment and Financial Society – that administrated the 30% given to the population)  
SNCFR (Romanian Railway Administration)  
SRI (Romanian Intelligence Service)  
TAROM (Romanian state air company)  
TIB (Bucharest International Fair)  
TSA (Tourism Satellite Account)  
UGSR (Romanian General Union of Labour)  
UICE (The Union of Consume Cooperatives)  
UNCAP (National Union of Agricultural Cooperatives of Production)  
WATA (World Travel Agencies Association)  
WTO Either World Tourism Organisation or World Trade Organisation  
WTTC (World Travel and Tourism Council)

### Personal data:

**Date of birth:** 22 of July 1952. **Birthplace:** Talmacel - Sibiu

**Status:** divorced

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### Education:

Training: Academy of Economics - Foreign Trade Faculty graduated in 1975, Bucharest

Spoken languages: French, English, Romanian, German.

**Concerning formation:** the parents, being chalet managers, he spent his childhood in the mountains and attended school in the country, in Bucharest and Sibiu. He learned to know either the rigors of the life in the mountains and the temptations of the cities, was lucky to have exceptional teachers and graduates high school for market economy, graduate specialization in: commercial, currency and financial international intercourse.

**Professional experience:** because of the divorce, after graduating the Foreign Trade Faculty in Bucharest in 1975 he could not work in foreign trades.

- Between 1975 and 1977 he specialized in hotel business and, as head of the hotel department of the Timisoara Tourism Office he brought the first profits of the venture, reclassified and supervised modernization of the hotels: Continental, Banatul, Dacia-Lugoj, and the building of hotel Timisoara.

- Between 1977 and 1982, returned to Sibiu: he studied logistics of the tertiary industry as head of the Sibiu Tourism Agency and pressed for the introduction of contractual tourism legislation, launches the first touristic products for Romanians, introduced the hotels reservation system for the benefit of the population, a qualitative leap in the communist domestic tourism, organized ENSIBCLUB, the first Romanian holiday inn after the model of ClubMed.

- He visited the only allowed region of the world accessible for Romanians, from East Germany to Central Asia, promoting a new itinerary product with every excursion.

- In 1982 he took over the planning-personnel-management-salaries department of the Sibiu Tourism Office, applied 4 substantial staff-reductions, using, however, twice as much personnel, owing to the trebling of the total turnover. He bore the last years of dictatorship.

- In February 1990 he organized an initiative-board in order to relaunch Romanian tourism by means of a new legislation and the autonomy of the ventures. As president of the Sibiu Economists Trade Association he set up ROSIBCLUB - private enterprise - trying to burst State monopoly in foreign tourism. He did not succeed in organizing the Sibiu Chamber of Commerce because of a car crash suffered in May 1990, after which he had to stay in hospital for 6 months.

- October 1990 he took part officially at the dissolution of the Sibiu State Tourism Office and took over the management of "Paltinis"S.A., one of the result companies, a bankrupt firm, which would become within 6 months a real-estate company with state capital; in expectancy of privatization it exploited its touristical patrimony through 14 companies with private capital. He managed to make the first step towards true privatization in August 1993, selling two hotels, according to the Romanian law. But finally, in February 1994 he thought it wiser to resign and start a private venture in multimedia (Imagica XXI SA). He wrote and handles the first prospects including "General Conditions" for tourism in Romania after 1989.

- In 1991 he obtained the license as official auction organizer. He took part of the preparing lessons organizer by the Minister of Finance and PHARE program as introduction to the new accounting system.

- He visited Greece in 1992 as a student at a ticketing course, took part as exhibitor to TIB (Berlin Tourism Faire)

- In 1993 and in 1994 received the assistance of Mr. Jean Pierre PARIS ex director of Thomas Cook-USA to start IT Intertourism, the private tour operator, the first one to be admitted in an international professional association (WATA). In 1993-1995 he received the assistance of Professor Uwe Schulte of Hanns Seidel Stiftung.

- In 1994 he and his brother, organized a system, a kind of health insurances for his brother's one day hospital.

- The economical conditions obliged him to move It Intertourism in Bucharest to take advantage of a larger market. He has activated his first venture, Rosibclub under the name of Intertourism - as he wants to stay in Sibiu - in order to carry on its work in the fields of tourism. Several awards were granted for the web site of Sibiu (www.sibiunet.ro) made under his management and his site "The end of the Millennium - the Greatest Point of the last total solar eclipse August 11 1999" was accepted and linked by NASA specialists on NASA's data base.

- Since 2001 he joined the academic life. Vice dean of Faculty of Economic Studies of "Lucian Blaga" of Sibiu, University Professor (PhD)

### Other Commitments:

1995: WATA (World Association of Travel Agencies)

1998: SKAL-Excellence in tourism (International Association of Executives of Tourism Industry)

1999 ATLAS (European Association for Leisure Studies)

2000 INFER (International Network for Economic Research)

2005 WLA (World Leisure Association)

2005 EAIE (European Association for International Education) 2005 LIONS INTERNATIONAL