

THE DEVELOPMENT AND DIVERSIFICATION OF THE RURAL ECONOMY BY FINANCING THE TOURISM PROJECTS

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Abstract

By this paper we plan to reconsider the touristic values by multiple perspective - economic, social, ecological - given that at national level were implemented many projects in the tourism area, some of which are strategic and of very large amplitude, with significant impact on the economic development in the rural areas. To this end, we take into account the issue of the rural economy development through value awareness and highlighting the programs for financing the tourism projects in the last 10 years for the North-East Development Region. The research, theoretical-empirical, is based on thematic description, analysis and synthesis. It considers the basic indicators of the rural economy development for the analyzed region and it concludes about the progresses obtained towards the diversification of the rural economy and the tourism contribution to this progress. The main result of the paper is highlighted by a dashboard built on the basis of the indicators that allow the quantification of the progress obtained in the rural areas through the economic diversification determined by projects funded in tourism. A main conclusion of the study is that, undoubtedly, a tourism project is a notable determinant of the economic development, with multiplier effects beneficial to the rural environment where was implemented.

Key words: rural economy, tourism, financing, projects

The large-scale topic of rural economy which attracts continuous interest from both the research environment and investment environment, has acquired a new growth perspective against the backdrop of the appearance of the financing opportunities specific to the rural environment. The non-reimbursable European financing programs have proven to be a particular opportunity of reorientation towards the rural economy and the recognition of its contribution to the economic growth as a whole. The need to support and develop the rural economy has been recognized at the practical level of financing the implemented projects exclusively in the rural areas or having an impact on the rural environment. The financing trends of the projects supporting the rural environment are connected to the need of diversification and development of the rural economy.

As a tertiary component of the economic environment, tourism proves to be more and more attractive for the rural investments, most likely as a consequence of the social changes based on the relationship urban-rural in the context of the technological and social progress performed in an accelerated manner.

Considered as less developed, the North-East Development Region has benefited from major investment projects by means of non-reimbursable European financing funds for almost all the fields associated to the economic development. The projects implemented in this region have triggered significant changes of the rural-urban approach and more particularly, they have had an essential contribution to the development of the rural economy in the region analyzed. Of these fields of interest for which financing projects have been initiated, submitted and implemented, tourism has represented a very attractive sector for these types of investment.

Tourism, perceived as a contributing factor to the economic growth of a region, currently holds sustainability trends, while the touristic development strategies and projects are in agreement with the sustainable development strategies - Horizon 2030. This modern and current aspect requires simultaneously, responsibility, commitment towards natural resources and social involvement in the touristic growth actions. The effects of such an approach are translated into a healthy and viable economic growth.

The projects implemented for the support and boost of tourism, with a favorable impact on

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rural economy, could not have been implemented without the existence of certain promotion policies of sustainable development such as: stakeholder's involvement, local development plans and considerable investments to reach the objectives which indicate the economic viability of the touristic sector.

MATERIAL AND METHOD

The documentation pertaining to the research of this paper takes into consideration a set of basic, correlated elements: the topic of the rural economy, the development of tourism under sustainability conditions, non-reimbursable financing through European projects.

The World Tourism Organization (WTO), the Tourism Council (WTTC) and the Earth Council (EC) consider that sustainable tourism is a new form of tourism which "leads to the management of all resources so that economic, social and esthetic needs must be met, maintaining at the same time the cultural integrity, the essential ecological processes, the biological diversity and the support systems of life" (Coast Learn, Sustainable Tourism)

The Regional Operational Program and the National Program for Rural Development are the most significant for the financing of rural economy. By means of the priority axes and the measures aimed by these programs, the touristic sector benefits from considerable funding, such as the ROP 2014-2020, Priority Axis 7 "Diversification of local economies through the sustainable development of tourism" with 118.9 million Euros and Priority Axis 5 "Conservation, protection and sustainable valorization of the cultural heritage" with 466.5 million Euros (ROP, 2014-2020).

The rural economy, as a vital component of the national economy, produces added value and is a source of economic and social welfare for the entire population. It brings to life traditional products with a high valorization level on an increasingly growing market. These products must be continuously supported as a growth solution for the competitiveness of the agricultural sector (North-East Agency for Regional Development, 2007). The food industry creates jobs and has a wide range of opportunities to capitalize on the diversity of raw materials and human resources, while significantly contributing to the maintenance of the population's health state (North-East Agency for Regional Development, 2007).

The North-East Development Region, strongly influenced by the state of the rural economy, is prevalently agricultural and has a diverse natural and cultural heritage, mostly in a good state of conservation. The rural tourism is a viable alternative for the diversification of activities and increase in the life quality for the rural population.

The research methodology for the current paper is based on a chronological approach and data analysis. Statistical information and data taken from the implementation reports of non-reimbursable European funded projects are used. The research methods used are the analysis, selection and synthesis, completed with the observations of the progress made after the implementation of tourism projects in the North-East Region. The information sources are: reports, data, information of the Ministry of European Funds, Ministry of Regional Development and Public Administration, Agency for the North-East Regional Development, other institutions and agencies representative in this region. We also took into account the information of the studies and research which highlighted the dynamics of the rural economy in the region under analysis.

The paper has more of a practical touch, through the synthetic presentation of the impact results of the funded tourism projects and highlights the influence the financing of the touristic sector has on the rural economy.

RESULTS AND DISCUSSIONS

At national level and implicitly at the level of the North-East Development Region, it became obvious that the tourism growth, through the implementation of large-scale projects, as well as through smaller projects, has a beneficial impact on the stimulation of the economic dynamics and insurance of the population's welfare. In this regard, it can be noticed the public involvement and that of economic agents in projects which prove to be exciting, influencing factors of the economic activities in the areas where tourism gets a facelift.

Based on the existing infrastructure and of its touristic heritage, the North-East Development Region has witnessed projects meant to valorize and capitalize on the already existing heritage basis. Among the main objectives which represented the common support of the funded tourism projects in the areas having a development potential of the rural economy one can count:

- the development of the sectors specific to the regional economy connected to the tourism sector;
- the maximization of the local incomes from tourism investments.

The most representative period when the results of the implementation of touristic financed projects with a very favorable impact on the rural economy growth are highly visible is the one covering the accession to the non-reimbursable European funds from 2007-2013, continued with the period 2014-2020. The main funds for the development of the touristic sector in the region

analyzed in the last 10 years have been obtained through the programs:

1. The Regional Operational Program 2007-2013 with the Priority Axis 1 “Support of the sustainable development of cities – urban pillars of growth”, Priority Axis 5 “Sustainable Development and tourism promotion”.
2. The National Program for Rural Development 2007-2013 with the Axis 3 “Life quality and diversification of rural economy” and Measure 313 “Encouragement of touristic activities”.

These programs enabled investments in projects of valorization of the natural and anthropic potential in the North-East Development Region: accommodation infrastructure, recreational areas and/or spa treatment centers, adventure parks, renovation/modernization of religious places, etc. A synthesis of the main categories of investments made in the touristic development projects is presented in *table 1*.

Table 1
Investment categories in the touristic projects implemented in the North-East Development Region

Category	Non-reimbursable financing value	% of total
Investments in touristic accommodation places	78 109 990 €	41%
Investments in touristic information centers	4 511 536 €	2%
Public investments in touristic infrastructure	100 260 792 €	53%
Private investments in touristic infrastructure	8 293 232 €	4%
TOTAL	191 175 550 €	100%

Source: Database of the Agency for the Financing of Rural Investments and of the Agency for the North-East Development Region

In this region, 211 touristic accommodation units were built, for a total amount of 78109990 €, most of the investment projects of this type being located in the Suceava county, 118 accommodation units, while the fewest are in Botoșani and Vaslui (7 and 6 accommodation units, respectively). The Suceava county attracted 35% of the investments in touristic/agricultural guest houses as well as in extended/renovated hotel structures (29399795 €), while in the Neamț county, the value of these funds was 27258740 €.

Other investment components which determined the stimulation of the rural economy in the North-East Development Region are the reintroduction in the touristic circuit of the cultural heritage places and the development of the recreational areas. Of the total of these investments, 32% were performed in the Suceava county, where the projects with the highest value are the following: “A heritage building - a museum for the IIIrd millennium” - the Bukovina Museum.

With a non-reimbursable financing of 9600526 € and “The Rehabilitation of the Throne Fortress of Suceava and of its protected area”, a project with a non-reimbursable financing worth of 7802359 €. In the cities of Gura Humorului and Vatra Dornei, alongside the neighboring villages and communes, projects with a very favorable impact on the economy and the local communities were implemented. In the Iași county, 29% of the total non-reimbursable funds were attracted from the program POR 2007-2013 for the touristic field in the North-East Development Region, while the project which benefited from the highest amount (10724005 €) is “The touristic valorization of the Metropolitan ensemble from Iași”. In the Bacău county, 16% of the total touristic investments were attracted, in a total amount of 15963791 €. One of the most attractive projects implemented is “Ski Park Slănic Moldova”.

66% of the non-reimbursable investments in private touristic infrastructures, totaling 5518967 €, are in the Suceava county and were focused prevalently in recreational areas. For the Iași county, the value invested is 1297553 €, which is 16% of the total investments of this type in the analyzed region. With a total value of the non-reimbursable funds invested of 985094 €, the Neamț county attracted 12% of the private investments in tourism in the region analyzed.

The highest value of the non-reimbursable financings performed in the North-East Development Region in the field of tourism starting with the year 2007 can be found in the public investments in touristic infrastructure. These represent 53% of the total amount invested in the touristic sector through the access to European funding by means of the Regional Operational Program 2007-2013 and the National Program for Rural Development 2007-2013. The investments in the touristic accommodation units represent 41% of the total amount of non-reimbursable financing dedicated to tourism investments in the North-East Development Region (the period 2007-2015). The private investments attracted 4% for the touristic infrastructure and 2% for the establishment of tourism information centers. Among the most significant projects in the tourism sector implemented in the region analyzed we can mention: “The consolidation, restauration and conservation of the church St. Ilie” Șcheia Commune, Suceava county (20268637.83 lei), “The restauration of the cultural heritage of the Secu Monastery, Neamț county (14036331.03 lei). In addition, there are other important cultural and religious projects such as “Gura Humorului - an active city with green areas” (21343406.83 lei), “The establishment of the recreational area Nada

Florilor, Fălticeni” (6223039.20 lei), “The recreational area Trotuș” (9442952.16 lei), “The recreational area Cacica” (5354787.00 lei), “Building of the recreational center Popasul Domnesc” - Suceava (4570141.80 lei). Until now, the implementation reports concluded are for the financing period 2007- 2013, while for the period 2014-2020, these are in progress, because some of the projects have been submitted starting with the year 2017 and are under implementation.

CONCLUSIONS

The most significant investments for the tourism development, performed by means of non-reimbursable financing European projects in the analyzed region, were in the accommodation, recreational centers and spa treatment centers, cultural and historical monuments, places of religious worship and tourism information centers. Through their large-scale value and number, the projects have influenced the main components of the rural economy thus proving that tourism is a driver of economic growth in the rural area. The North-East Development Region distinguishes itself through the valuable touristic potential whose support for development is a guaranteed alternative for the revival of the less developed areas. The fields of the rural economy which benefited from the revival by means of the implementation of touristic projects in the North-East Development Region are: small industries, entrepreneurship boost, commerce, rural crediting, sustainable management of natural resources, occupational level and increase in the number of jobs, increase in the life quality and inhabitants' income, reduction of poverty risks, etc. All these enabled the harmonious blend of the sustainable development goals with the economic growth and rural economy development, the remediation of the economic and social problems in the disadvantaged areas, the change of mentality regarding the value of the rural environment. The economic indicators of the rural economy growth which justify the qualitative results through a qualitative approach are: the rural population structure, the labor force, the occupied population by fields of activity, incomes, poverty. The most significant impact

results of the funded projects in the tourism sector on the rural economy are the following: the creation of jobs, the stimulation of the food and agricultural production, the involvement and revival of the crafts and arts, the promotion of traditional products, the foundation of small industrial processing units for agricultural and food products, the stimulation of ecological production, the reconversion and reuse of depleted soils, the ecological revival, etc. As a consequence, the stimulation of the rural development through the conservation and valorization of the touristic heritage is one way to support the sustainable development goals. The results worth mentioning are: the increase in the tourists' interest, the valorization of local resources and traditions, the complex valorization of the touristic potential, the assignment of new socio-economic meanings, etc. All these contribute to the development of the rural economy in the North-East Development Region and, prevalently, to the increase in the life quality of the region's inhabitants.

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