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THE ROLE OF TOURISM IN LOCAL ECONOMY DEVELOPMENT. BIHOR COUNTY CASE STUDY

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Abstract. The purpose of the present study is to emphasize the role of tourism in local economy development, in the context of present-day society dominated by antagonistic battles between local/regional values and the global ones. Tourism is a special anthropic activity, with deep implications both in the spatial individuality and regional values assertion and in those with global character. It sets up for a significant indicator regarding the development level recorded by a human collectivity in a certain area. In this context, the results of the correlations between the number of companies, employees, turnover and recorded profit, during the period between 2000 and 2014, on spatial and global level, become significant indicators, having special relevance in the role and importance of tourism in local economy development.

Key words: companies, employees, turnover, profit, evolutions

1. Introduction

At the beginning of the 21st century, the nature of cooperation between states has changed as a result of the complex globalization and economic integration processes (Masteikiene and Venckuviene

2015; Pekarskiene and Susniene, 2014; Simonceska, 2012; Surugiu and Surugiu, 2015). Due to the existent diversity of tourist resources, there is, on one hand, a worldwide prevalence of standardized tourist services, oriented towards the services required to meet the needs of mass tourism (Williams and Montanari 1995). On the other hand, we also witness a diversification of tourist demand for various destinations, based on varied tourism forms development, oriented towards the individuals' types of request (Sukkay and Sahachaisaeree, 2012; Baird and Leslie, 2013; Matteo and Cavuta, 2016; Ram *et al.,* 2016; Stratan *et al.,* 2015; Wells *et al.,* 2016). Tourism, as basic activity, is closely connected to other economic activities from the economic profile of a region and the obtained revenues can be reflected, more or less, within the region (Abubakirova *et al.,* 2016; Banerjee *et al.,* 2016; Chen, 2010; Draghici *et al.,* 2015; Shi and Zhong, 2015; Tang *et al.,* 2011). In the developed countries, on the background of their transition from a civilization focused on primary activities (agriculture, industry) (Braghina *et al.,* 2012) to one based on activities from the tertiary sphere (service expansion and diversification) (Andronache *et al*., 2016) tourism asserts itself more and more as a viable and sustainable alternative in the local economies development (Amir *et al.,* 2015; Loureiro, 2014; Peptenatu *et al.,* 2012). Regarded from this point of view we can state that tourism is an economic, social and ecological activity at the same time. The economic importance of tourism emerges from its role in generating new jobs (the occurrence and development of firms with activity in the tourism domain), in diversifying the economic structure of an area (the share of activities from the tourism domain), in the increase of the living standards (the

ratio between the number of employees in tourism and the total number of employees) etc. It is a social activity as it involves the society, from its most simple to its most complex organizational forms. The ecological character of tourism comes out from its own essence, as an anthropic activity being closely related to motivational factors which generate tourist motivation (Kusakabe, 2013; Pravalie *et al.,* 2014; Pintilii *et al.,* 2016).

2. Work methodology

Articles in order to emphasize the role of tourism in the local economy development, there have been made analyses and correlations between the number of companies, number of employees, turnover and recorded profit in the period of time between 2000 and 2014, on the level of Bihor County, Romania. For the beginning, correlations have been made for the above mentioned indexes on the level of major activity sectors (primary, secondary and tertiary), followed by correlations of the indexes referring to tourism, services and total values. After the analyses and correlations made regarding the number of companies, employees, turnover and profit in the tourism domain and that of services, between the years 2000 and 2014, it has been accomplished a conceptual pattern of the analyzed indexes evolution. In order to notice certain details with high degree of sensibility, the analyses of the above mentioned indexes have been made both on county level and on the level of each locality.

3. Results and discussions

The location of Bihor County in the west part of Romania, right near Romania's state border with Hungary, at the contact between the morphological units of Tisa Plain (subunit of the Western Plain) with the Carpathian Mountains (The Occidental Carpathians), in the

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hydrographic basin of the Tisa River, tributary on the left of the Danube River, has ingrained to this area a series of defining characteristics and features, part of which can be and are valorized from the tourism point of view as well (Fig. 1).
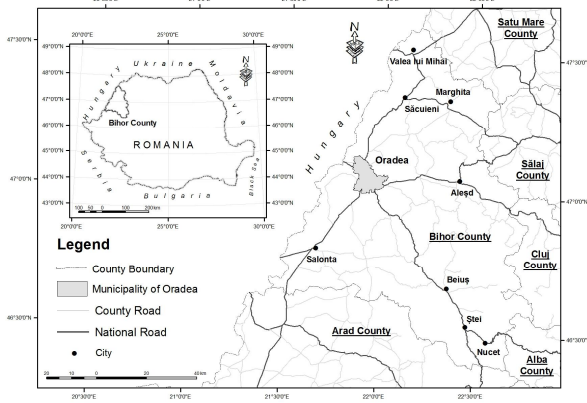

Fig. 1. Bihor County location

From the tourism point of view, the valorization of specific resources in this area dates back to the XV-XVII centuries when around the localities Băile 1 Mai and Băile Felix it began the exploitation for curative purposes of the mineral waters and vegetable slime extracted from the lake in the locality. In time, based on the economic progresses recorded in the local economic domain around these nuclei, tourism has evolved from spatial and structural point of view so as we can talk about existence of Băile Felix - Băile 1 Mai tourist system, characterized through accentuated dynamics and functionality.

The evolution of the number of firms, employees, turnover and profit on Bihor County level between 2000 and 2014 has known a relatively similar ascending trend, each analyzed indicator recording significant increases as follows: the number of companies has increased from 8,872 in 2000 to 24,233 in 2014; the number of employees has increased from 85,200 in 2000 to 121,226 in 2014; the turnover has increased from 3,087,939,704

RON in 2000 to 24,967,103,232 RON in 2014; the profit has increased from 158,608,852 RON in 2000 to 1,627,041,934 RON in 2014 (Fig. 2, 3, 4 and 5).
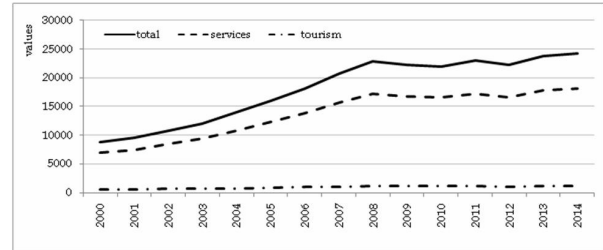

Fig. 2. Bihor Correlation between the evolutions of number of companies in tourism, services and total number of firms between the years 2000-2014
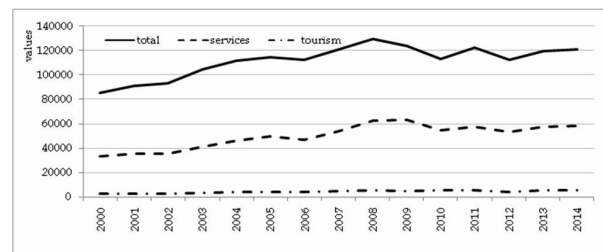

Fig. 3. Correlation between the evolutions of the number of employees in tourism, services and the total number of employees between the years 2000-2014
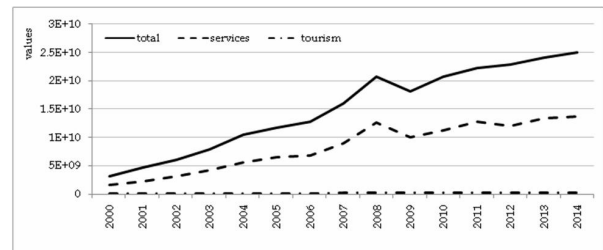

Fig. 4. Correlation between the evolutions of turnover in tourism, services and the total turnover between the years 2000-2014
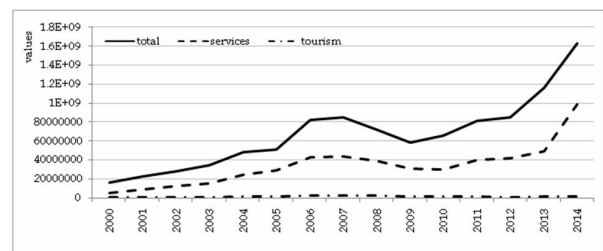

Fig. 5. Correlation between the evolutions of profit in tourism, services and the total profit between the years 2000-2014

From the spatial analysis of the analyzed indexes it has been noticed that the most significant increases were recorded in the localities Oradea, Salonta, Sânmartin, Marghita, Beiuş and Aleşd. This fact is explained through the infrastructure that these urban localities used to have and developed in time and becoming real attraction poles for local and regional investments.

The analyses of comparative evolutions of previously listed indexes on activity sectors have emphasized the increase tendencies in all three activity sectors in time and space. Thus, during the period 2000-2014, the number of companies from the primary sector increased with 279.83%, followed by those from the secondary sector (187.98%) and tertiary sector (165.84%), the number of employees in the primary sector increased with 57.78%, followed by the secondary sector (23.47%) and the tertiary one (64.73%), the turnover in the primary sector increased with 263.3%, followed by the secondary sector with 732.36% and the tertiary sector with 649.57%; the profit in the primary sector increased with 4,077.3%, followed by the secondary sector with 460.96% and the tertiary one with 1,489.2% (Fig. 6, 7, 8 and 9).
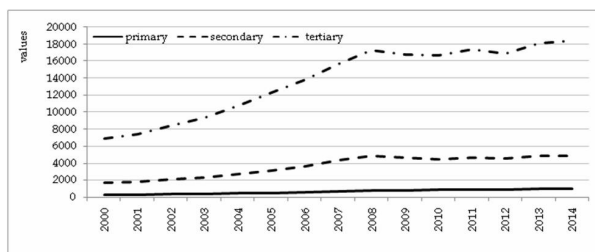

Fig. 6. Correlation between the evolutions of the number of companies in primary, secondary and tertiary sectors between the years 2000-2014

However, from the analysis of ration evolution of number of companies, number of employees, turnover and profit on activity sectors, between the

years 2000 and 2014, it is noticed the predominance of those from the tertiary sector, followed by the secondary and primary one. From the analysis of the conceptual pattern of the comparative evolution between the number of companies, employees, turnover and profit from the domain of tourism and that of services, during the period 2000-2014, 5 major stages can be identified (genesis, development, decline, disappearance and stability) and two types of inflexion points in time (activity peaks and low points). The genesis (I) and disappearance (IV) stages coincide with the years 2000, respectively 2014, reference years, during the period between them there were made the comparative analyses between the number of companies, employees, the turnover and the profit in the domains of tourism and services. The development stage (II), just like the previous one, was defined by a variable time interval (between the years 2000-2002; 2003-2007; 2010-2011 and 2012-2014), when the number of companies, employees, the turnover and the profit had an ascending evolution. The end of that period usually coincides with an activity peak, the beginning of a stability or decline period.
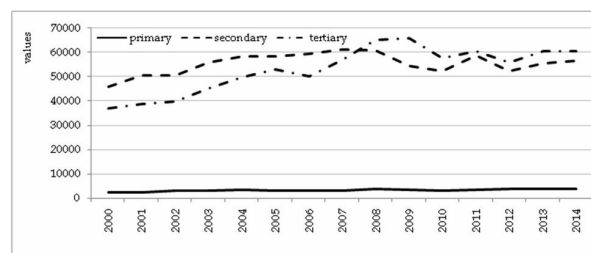

Fig. 7. Correlation between the evolutions of the number of employees in primary, secondary and tertiary sectors between the years 2000-2014

During the decline period (III), the number of companies, employees, the turnover and the profit had a descending evolution. The two time intervals defined by decline, 2007-2010, respectively, 2011-

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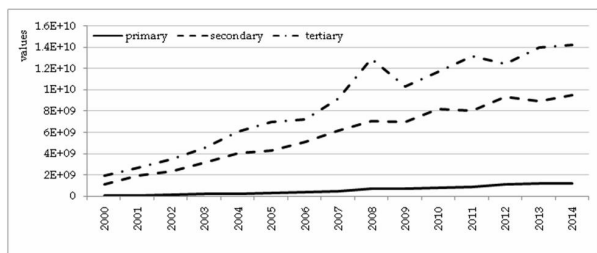2012, ended with two low activity points corresponding to the years 2010 and 2012.

Fig. 8. Correlation between the evolutions of the turnover in primary, secondary and tertiary sectors between the years 2000-2014
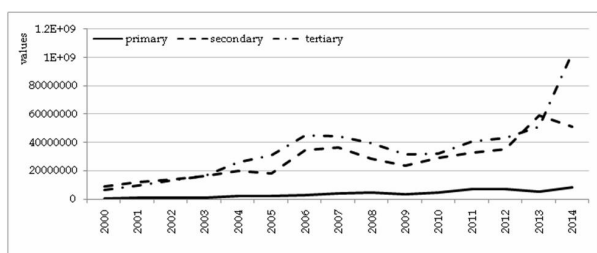

Fig. 9. Correlation between the evolutions of profit in primary, secondary and tertiary sectors between the years 2000-2014

Therefore, the decline continued up to an inflexion point, low activity point, when a revitalization could be experienced, thus entering into a new stage of development. The stage of stability (II), between 2002 and 2003, followed the development stage between 2000 and 2002. It was characterized by the constant maintenance during 2000-2002 of the number of companies, employees, turnover and profit. The activity peak represents an inflexion point in time when the values of correlations between indexes had minimum values. In conclusion, from the analysis of the conceptual pattern of the comparative evolutions between the number of companies, employees, turnover and profit in the domains of tourism and services, between the years 2000 and 2014, it results that the conceptual pattern is made up of 5 major stages (genesis, development, decline, disappearance and stability) and two types of inflexion points

in time (activity peaks and low activity points). Its complexity degree is provided by the alternation of the major stages and of the inflexion moments (Fig. 10).
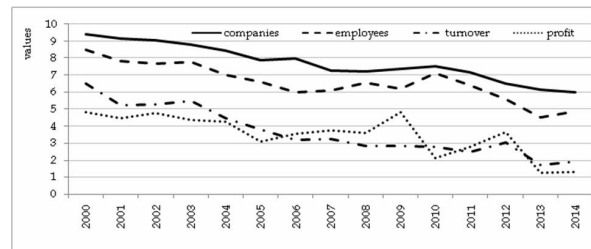

Fig. 10. The conceptual pattern of the comparative evolution analysis between the number of companies, employees, turnover and profit from the domains of tourism and services between the years 2000 and 2014

The comparative analysis for the year 2014 regarding the distribution of companies from all activity domains and those from tourism on spatial level shows the fact that most companies are located in the urban area, in the following towns: Oradea, Marghita, Beiuş, Salonta, Valea lui Mihai and Stei. This aspect emphasizes the role and importance of urban centers in the development and support of the local economy, including of tourism as an integrating part of it.

From the analysis of the ratio of companies in the domain of tourism from the total number of firms on spatial level, a special situation arises: in this case, not the urban centers are emphasized, but a series of rural localities amongst which we mention: Sânmartin, Căpâlna, Budureasa, Şuncuiuş, Bratca, Budureasa, Vârciorog, Oşorhei and Sălacea etc. It should be noticed that this trend followed a relatively similar evolution throughout the entire analyzed period of time (2000-2014), with small deviations in time and space.

Moreover, from the ration analysis of the number of companies, employees, turnover and profit between the years

2000 and 2014, it can be noticed a relatively similar evolutional trend for all analyzed indexes. The gap between the analyzed indexes ranges from 9.4% in 2000 to 5.9% in 2014 for the predominance of company numbers, from 8.4% in 2000 to 4.8% in 2014 for the number of employees; 6.4% in 2000 to 1.8% in 2014 for turnover; from 4.8% to 1.3% in 2014 for the recorded profit (Fig. 11).
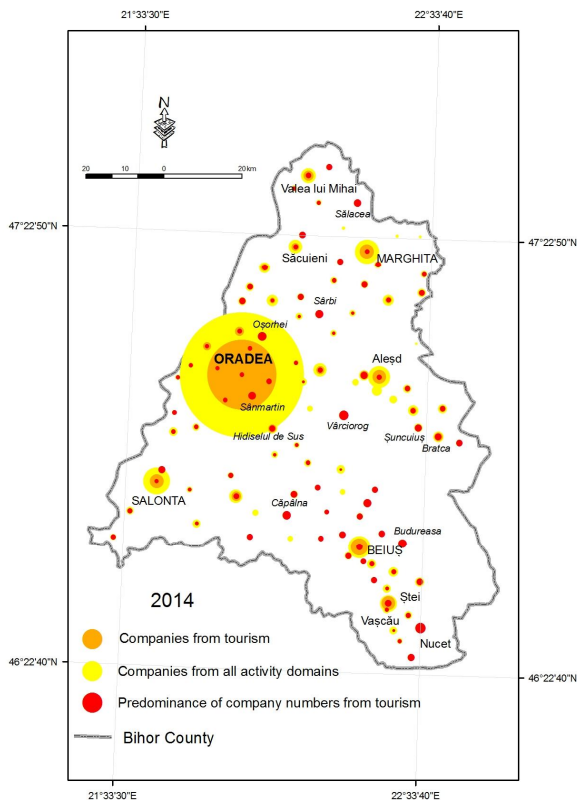

Fig. 11. Distribution of companies from all activity domains, from tourism and the ratio of firms from tourism, on special level, between the years 2000 and 2014 - 2014

Regarding the distribution of the four indexes values (number of companies, number of employees, turnover and profit), important in the analysis of the general economic situation in Bihor County for the period between 2000 and 2014, it can be noticed that in all cases the distributions are abnormal (a Gauss curve was not accomplished), either to the right or to the left.

In the case of the number of companies (Fig. 12), it can be noticed that, for the analyzed period, Bihor County is characterized by a significant number of companies (between 2,000 and 2,500 companies) specific to the post-economic crisis period (2008-2014). This fact shows an unprecedented re-launch of the county economy, due to its proximity to the Western state border.

The same type of distribution can be encountered in the case of turnover (Fig. 13), fact which shows that the economic activity of the companies from the county is focused on the existence of large companies with a turnover predominantly over 3 billion €.
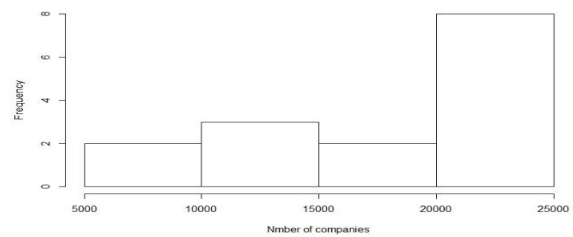

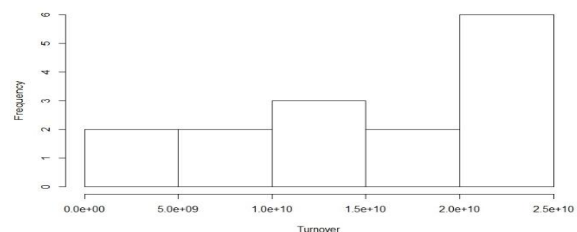**Fig. 12**. Distribution of companies

Fig. 13. Distribution of the turnover

Regarding the number of employees (Fig. 14), we find the same type of distribution, showing the presence of a large number of employees within companies from Bihor County, over 100,000 employees.

The distribution of profit is different from the previously mentioned indexes (Fig. 15).

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It shows the presence of profit values situated in the lower half of the histogram, its average being higher than its median, fact which shows for the period between 2000 and 2014 a higher frequency of economic activities with lower profits on the level of the entire county.
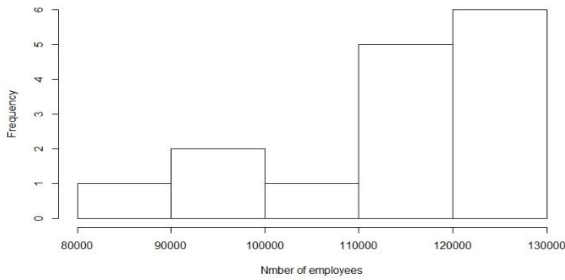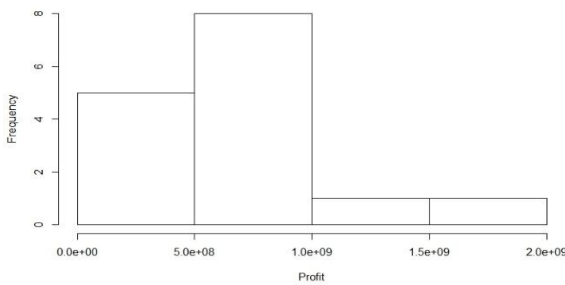

Fig. 14. Distribution of the employees

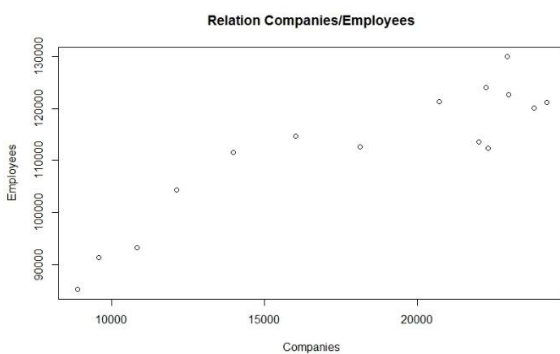**Fig. 15**. Distribution of the profit

Fig. 16. The relations existing between the number of employees and the number of companies

In order to better understand the economic activity on the level of Bihor County during the period between 2000 and 2014, certain plots have been created representing the mutual conditioning

relations which occur between the four economic variables. Therefore, Fig. 16 presents the relation between the number of employees and that of companies and on the level of Bihor County, illustrating the fact that most companies have a high number of employees (with a value of over 2,000), being few small companies (under 10,000).
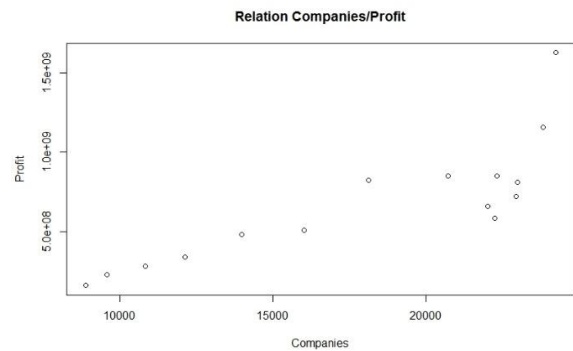

Fig. 17. The relations existing between the value of the profit and the number of companies
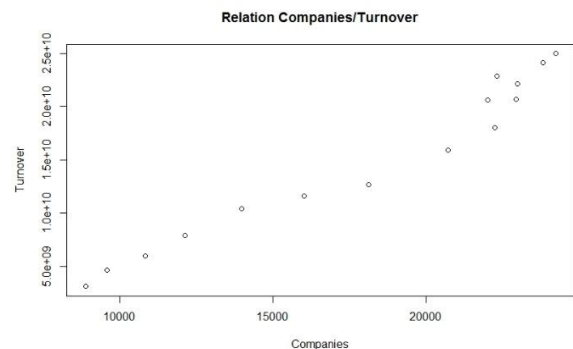

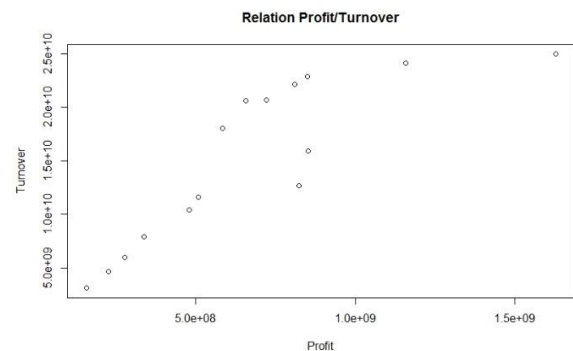**Fig. 18**. The relations existing between the value of the turnover and the number of companies

Fig. 19. The relations existing between the value of the turnover and the value of the profit
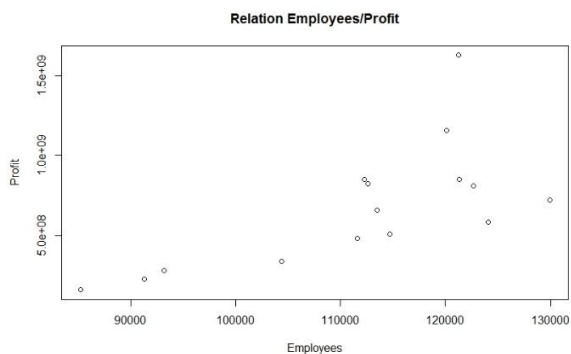
Fig. 20. The relations existing between the value of the profit and the number of employees
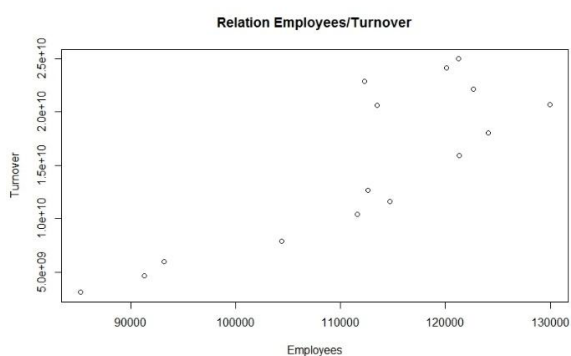

Fig. 21. The relations existing between the value of the turnover and the number of employees

In Fig. 17, showing the relation between the number of companies and the value of profit, it can be seen that significant profits, from the point of view of value, are achieved by the large companies, medium companies make medium profit and small companies make small profit. A similar situation can be encountered within the relation between the number of companies and the turnover (Fig. 18).

Concerning the relation between turnover and profit (Fig. 19), the highest profit values are achieved by the companies with medium and high turnover, the latter occurring rarely, in certain situations. The more significant profit values are achieved by the companies with a high and medium employee number (Fig. 20), fact which also shows an intense economic activity on the level of Bihor County for the period between 2000 and 2014.

A relation of direct proportion is also noticed between the value of turnover and the number of employees (Fig. 21), fact which shows that, on the level of Bihor County, the most companies with a high number of employees also have a high turnover.

4. Conclusions

The emphasis of tourism in the local economy development is a sine-qua-non condition which asserts itself more and more both on local and global levels. This aspect results from the dynamic and complex character of tourism noticed during the past years, on a background of changes which have occurred in the human society influenced by the progresses recorded in the other economic branches and even other domains. Under these circumstances, we can emphasize that the comparative analysis and correlations between the number of companies, number of employees, turnover and recorded profit, during 2000 and 2014, on spatial level, there are significant indexes for the representation of a detailed and synthetic image regarding the role of tourism in the local economy development, specific to Bihor County. From the essential aspects we notice the followings:

- a relatively similar ascending trend regarding the evolution of the number of companies, employees, turnover and profit on the level of Bihor County between 2000 and 2014;
- positive evolutions of the number of companies, employees, turnover and profit on the level of Bihor County between 2000 and 2014, on activity sectors, in time and space;
- placing the comparative evolution of the number of companies, employees, turnover and profit in the domain of tourism and services between 2000 and 2014;
- the localization in the urban area of the companies in the domain of

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tourism, of the employees, turnover and profit on the level of Bihor County between 2000 and 2014;

- the existence of deviations from the above mentioned rule in the localities: Sânmartin, Budureasa, Nucet, Căpâlna, Sălacea, Vârciorog, Oşorhei, Sârbi etc.

Therefore, the emphasis of the role of tourism in the local economy development results from the analysis in time and space of a set of indexes relevant in tourism and not only in tourism (number of companies, number of employees, turnover and profit). The analysis in time (2000-2014) of the studied indexes had the purpose to observe the eventual modifications, on the level of these parameters, induced by the changes occurred in Bihor County, on the background of the transition of the area from a centralized economy of communist type to a decentralized, functional economy, of capitalist type. The analysis on locality level had the purpose to emphasize the deviations, defining particularities, specific to the place in order to substantiate the causal explanations in close relation to the adjacent environment.

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