ROMANIAN ECONOMIC AND BUSINESS REVIEW

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CONTENTS

MANAGEMENT STYLE IN TOURISM

Associate Professor Dr. Milena Filipova
Southwest University"Neofit Rilski"
Blagoevgrad, Bulgaria
Fax:+ 359 73 885 952
Mobile phone: + 359 887 639 559
E-mail: emili2000@abv.bg[1]

Abstract

Every manager of a tourism company approached his/her employees with a certain management style. His/her aim was to influence employees in a way that would make them show the best performance of their assignments in order to achieve the company's goals. **The major objective of this work** *was to clarify the contents implied in the concept of management style, to study the various types of management styles and to make a research on the management styles implemented in the Bulgarian tourism companies.* **The major research methods** *used in this work were the method of analysis and synthesis, the method of comparison, and the inquiry research method.*

Key words: Management Style**,** Tourism Company, Manager

JEL Classification code: M10 and L830

Introduction

Management is a process by which the manager can influence the employees in order to receive a response and result and to secure the performance of individual or group tasks and the achievement of particular goals. These goals should not be one-sidedly understood as preliminary directions. Management means also employees' cooperation at company goal-setting. But employees should be prepared, motivated for common thinking and cooperation with the tourism company. Therefore „the management should be aimed at the achievement of the company goal and people's satisfaction with work." (Zahareiv (1999) Actually if the manager is obliged to provoke in employees the willful behaviour desired, one of the way to do that is to skillfully use a system of stimuli, the mechanism of influence of which is based on the employees' aspiration to satisfy their varied needs.

„Governance is an essential element of the efficient management." (Plachkova et al (2008) In tourism companies it is implemented by the managers – formal and informal.

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[1] "Neofit Rilski" Southwest University, Blagoevgrad, Faculty of Economics, 2, Krali Marko Street, Blagoevgrad 2700, Bulgaria

The efficiency of manager's work can be judged by the degree of his/her influence on the others. The manager involves his/her employees to take part depending on the situation, and collaborators'eligibility and capability. It is known that the number of people who can be subordinated to a manager depends on:

His/her skills to manage and delegate;

The type of work he/she has to deal with;

The nature of functions (size, scale, significance, etc.)

The goal of the manager in the tourism company is to influence the others in a way making them perform the work assigned in order to secure the achievement of the company objectives.

Management style

In scholarly literature the terms „management style" and „governance style" are often used as synonyms. Based on the different contents of the concepts of „management" and „governance" and studying the governance process as a part of the management one, some authors make a differentiation between the management style and the governance style. (Hristov (1999), (Plachkova et al (2008) „If it is assumed that the management style generally is: **how** (by what kinds of methods and means) a respective management process is performed by **someone(s)**, then the governance style is: **how** (by what kinds of methods and means) governance (i.e. choice of decisions affecting people, most commonly a part of the staff members of the respective organizational unit, but sometimes even all the members of the staff and the influence on people with a view of their realization) is performed by **someone(s)**." (Hristov (1999)

Hence decision making with regard to the number of waiters to be laid off is a task of the management, while the selection of the particular persons to be discharged is a task of the governance. In conclusion it can be summarized that the governance is an activity for influencing the employees' behaviour, so the governance style characterizes the manner of this influence.

Taking into consideration the circumstance that the governance is a part of management, the specialized literature does not outline the difference between management style and governance style. So when the management style is mentioned the governance style is inevitably concerned, too. In this article the term "management style" shall be used. Every manager in a tourism company shows his/her own governance-related behaviour with regard to employees, his/her management style. This style is a characteristic feature demonstrating the peculiarities of the manager's activities. „The management style is the aggregate of methods, means and manners of management,"[2] which characterizes the specificities of the practical activities of the leader in the company, his/her individual manner of management. „It is the form in which the staff (human resources) management is implemented with a view to the establishment of a particular behaviour aiming at the achievement of the organizational goals." (Paleshutski (1999) Or, the management style is the way in which a manager attempts at influencing his/her employees.

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[2] Paleshutski K., Management of medium and large companies, Blagoevgrad, 1999, p.327

Types of management styles

Treating the terms of management style and governance style as synonyms with regard to contents the specialized literature provides a series of classifications. (Hristov (1999), Paleshutski (1999), Plachkova et al (2008), Andreeva (1996), Vladimirova (1998), Zahareiv et al (1997), Blace et al (1985), Hersey et al (1988). The issue of the appropriate management style is largely disputed and therefore we shall review in details the different types of styles.

Authoritarian style. The manager intervenes very often in work; the employees have purely performing activities. They are given directions by their immediate supervisor and they should observe them. And this is a matter of proper understanding, not of cooperation or independent thinking. There is a clearly outlined distance with regard to the subordinates. Employees' behaviour is being influenced through forcing, despotism and destructive criticism. This management style regards people as a resource that should be linked to other resources as efficiently as possible. Individuality is oppressed. The tasks are performed because this is the will of the manager. In the absence of control no work is done.

The authoritarian style is determined as directorial and directive style, as it is characterized mainly by: division, decision making, performance; restricted contacts with employees; status symbols and information restrictions.

The major disadvantages of the authoritarian style are: depends on individuals; risk decisions are taken, and absence of future management cadres. The advantages of this style are: quick decision making, clear relationships and benefits for particular employees.

Figure 1. Authoritarian and democratic management styles.
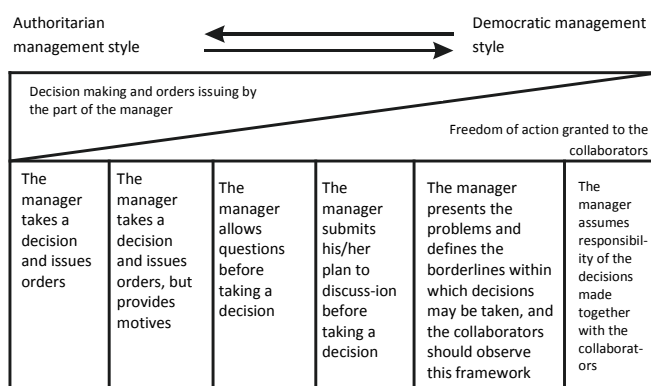
Source: *Zahariev E., Corporate Management, V. Tarnovo, 1999, p.401*

Democratic style. The manager intervenes more rarely in the work of employees, and in the presence of convincing arguments shows compliance. Innovations and non-traditional solution are stimulated. Conditions for in-company competition, ingenuity and creativity in problem solving are established. The major means to make employees exert maximum efforts is the stimulation system, not the control of fear of punishment. In the absence of

control work continues. This style appreciates people as the most essential condition for the company success. The manager strives to contribute to revealing employees' capabilities and to allow freedom of action within the framework of the functions performed. Motivation, ability to take decision and assume responsibility are characteristic of employees.

Based on the representations herein it can be summarized that apart from the provision of better relationships between managers and subordinates the democratic management style gives the subordinates better opportunities of manifestation, and this is closely related to their greater motivation.

Liberal style. This management style is similar to the democratic one and the degree of employees' independence in actions and decisions is more expressed. It is the most appropriate management style for the companies of innovative orientation, in which the employees' educational level and the nature of business require freedom of actions. The liberal style is bound up with the danger of development of anarchy at an insufficient level of conscious motivation of employees.

Cooperative style. This management style is defined as participative, democratic and non-directive, as it features an active participation of employees, discussion among employees instead of issue of orders, and the control from someone else becomes a self-control. It is developed in the modern management of the companies and is applied with different management models, and namely:

Management through agreement for the purposes of the so-called Management by Objectives;

Management by Delegation;

Management by Motivation.

It must be noted that all these varieties of the cooperative style have something in common – the management of the company in terms of „goal-setting, planning, organization, implementation and control" is more or less shifted into the sphere of discussion and influence of employees. Here the employee becomes a „real collaborator", as he/she takes part in the decision-making process and respectively is able to grow.

Its major advantages are: identification of problems; joy with studying; improvement of qualifications; development of future leading staff and relief of the manager. The disadvantages can be the slower decision making and the overloading of some employees which can affect badly people of fragile character.

Paternal style. This is a positive amendment of the authoritarian style of management. It is typical for Japan and is related to the system of paternalism. The manager plays a dominant and yet paternal role and is looking for a closer contact with his/her employees. In general, it is the manager who takes the decision but giving the orders in a tone that is not imperative, and sounds kindly. The major characteristics of the paternal government style are:

Authority of the father of the family;

Exercise of domination;

Allowing only the subordinates;

Loyalty to collaborators and obligations to assure their security and well-being.

Charismatic style (by vocation). It is characterized by an air of individualism, self-control in exclusive, dangerous situations and absence of an obligation of cares or patronage.

Autocratic (despotic) style. Typically the institution comes to the fore, the decision making is in the hands of only one person; hierarchical, the decision making and its implementation are separated processes.

Bureaucratic style. Its major distinctive features are: absence of a leading person, guidance by laws or rules; provision for the whole life; non-business formalism.

Studying the management style in the Bulgarian tourism companies

In order to trace the dynamics of application of the various management styles in the tourism companies in Southwest Bulgaria the author carried out an inquiry research in the period 2008- 2012. It covered 100 companies conducting business in the field of hotel and restaurant keeping and tour operator's services in the Southwest Bulgarian towns of Blagoevgrad, Sandanski, Bansko, Razlog and Gotse Delchev. The obtained results are shown on Figure 2.

Figure 2. Dynamics of preferences of various management styles demonstrated by the managers of the tourism companies in Southwest Bulgaria for the period 2008 - 2012 in percentages.
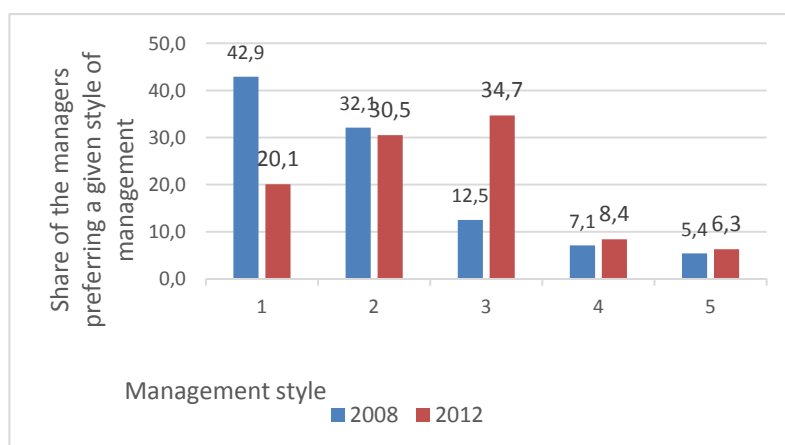
Source: Author's systematization

Note: 1- authoritarian style, 2- democratic style, 3 – cooperative style, 4- liberal style, 5- some other management style.

The presented results give grounds to draw the conclusion that the authoritarian style is currently not effective and more than 20% of the tourism companies' managers have changed their positions in regard to its implementation. This is a result also from the fact that this management style is characterized by disrespect for personality and professionalism, no personal collaboration and independent thinking are allowed. In some of the questioned tourism companies this situation has brought the greater part of employees (98%) to disappointment. The democratic style has almost retained its positions throughout the period of research, and the share of the cooperative management style has

increased, in year 2012 leaving behind all the management styles studied. This shows that, first, the strength-gaining competition makes the tourism company turn to strategic management, and, second, that the companies in tourism industry need to rationalize their activities subject to the general idea and the active participation by the part of employees in the decision-making process. The data on figure 1 show that the liberal and the rest styles of management are rarely used in the management practice of the Bulgarian tourism companies. The results obtained make it obvious that they have encountered no substantial changes throughout the period studied.

Conclusion

Based on the representations hereinabove a conclusion can be drawn that efficiency of activities of the tourism companies in Bulgaria is achieved in the cases when the manager is open to his/her subordinates and has a positive attitude toward the opinions and recommendations they give. Focusing the attention onto the subject of activities results in poor productivity and provokes in-company conflicts, as a consequence from the built-up pressure. Tourism company manager's behaviour is defined not only by the four management styles studied. The managers have to be flexible and to stimulate every positive deed, every sign of positive development of his/her subordinates and this way to contribute to the full manifestation of the capabilities of every employee. Multiple researches have undoubtedly proven that there is no such management style that is universally applicable to every situation and towards all the people. It is very important for the managers in the tourism industry to find the right management style.

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THE HR MANAGER – AT THE ROOT OF THE INNOVATION PROCESSES IN THE MODERN ORGANIZATION

Chef assistant professor dr. Mariana Usheva
Southwest University"Neofit Rilski"
Blagoevgrad, Bulgaria
Fax:+ 359 73 885 952
Mobile phone: + 359 889 899 445
E-mail: dr.usheva@abv.bg [1]

Abstract

Human resources management was a philosophy of governing people based on the assumption that human resources were of decisive importance for the achievement of business success of the organisation, as well as for the development of lasting loyalty and observance of the company policy and culture by the part of employees.

The importance of human resources management was critical for the organisation survival and success; therefore the HR departments (directorates) were assigned greater and greater significance. Of course, in order to provide efficient management beneficial for the individual, society and business, the HR managers should be functional experts and capable administrators, able to secure flexible directing and support of the new management practices and innovative process in the modern organisation.

The most recent researches on the Human Resources manger's influence on the organisation proved that it was almost equally strong both on the organization policy (31 %), as well as on the combination of organization policy and corporate strategy (55%).

Key words: Human resources; HR manager; innovative processes

JEL Classification code: M12

The innovation management or the so-called *management of innovations* is most commonly considered an integrated and interconnected set of activities directed to the achievement or maintenance of the necessary level of the company vitality and competitive power through the mechanisms of management of innovation processes.

The targets of the *innovation management* are *innovations* and the *innovation process*. And its major bearers, often, as proven by practice, are the HR managers. This is particularly valid for the organizational-administrative innovations, often affecting the distribution, continuity and the *innovation potential.*

The innovation potential is often considered one of the most important objects of the social development and thus its connection with the human resources management

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[1] "Neofit Rilski" Southwest University, Blagoevgrad, Faculty of Economics, 2, Krali Marko Street, Blagoevgrad 2700, Bulgaria

becomes a direct one. Furthermore, its efficient implementation through the labour of the human potential in the organization influences the development of different sectors of goods and services. The scale and value of the innovation potential of the organization is defined by the presence of research, design and construction, technological organizations, trial production, social training establishments (or training programmes), availability of (trained, motivated and loyal) staff and technical resources. (Луков et al (2012)

The link between the *Innovation management* and the *Human resources management* can be very easily traced by studying the major tasks of the first one, as, for example, planning the innovation activity of the organization (including of the formulation of the mission, definition of the strategic directions of the innovation activities and setting the particular goals in each of them). The choice of the best innovation strategy for each direction provides a direct indication for the development of the Organization's Talent Management Programme, and that by its part provides an opportunity for the rational use of everything new in the organization (in the face of its talented employees). We should also mention the need for motivation in the innovation activity through the management of human resources.

Human resources management is a philosophy for the management of people based on the thesis that the human resources are resources of decisive significance for the achievement of business success by the organization.

The efficient staff underlies every successful business and is a guarantee for a future success. So for a company to be successful and competitive it should have properly and well selected loyal professionals. In other words the efficient management of human resources influences positively the general development of the company – increase of productivity, improvement of quality of life in the company, etc. Therefore every company needs HR specialists who will be able to implement an efficient system of recruitment, adaptation and development of its professionals.

In terms of history the *human resource management* is a result from the long-year efforts of researchers in fields such as management, organizational behaviour, social sciences and synthesis of various theses, conceptions and theories. (Price (2004) A strong influence on the modern American point of view on the *human resource management* is exercised by two models developed in the academic circles of the American higher schools.

In year 1984 Fombrun and his colleagues expressed an opinion that *the systems for the management of the human resources*, as well as the organizational structure should be managed in accordance with the strategy of the organization. The same year Beer and his colleagues shared that the *human resource management* is a long-term approach to management of people and that people are potential assets of the organizations, not resources for which expenses are incurred.

This point of view becomes known as "Harvard Model of Human Resource management". A specificity of its is that the human resource management is a function which is inherent to all the managers, not only to the personnel specialists.

According to Price the modern views of the human resource management are presented in four different ways: (http://www.novavizia.com/2749.html)

As a radically new approach to people management, which as opposed to staff management is proactive and stakes on people in the organization as a powerful means for the achievement of important business results;

As an integrated approach to management, which combines all the possible means of management, incl. the human resource management into a common frame subordinated to the achievement of the business goals;

As one of the approaches to people management, which appreciates people as a resource of decisive significance for the achievement of business goals and within this sense focusing all the management systems (recruitment, training, assessment, remuneration) onto employees' aptitudes and involvement;

As one of the managerial functions, meaning that human resource management is a part of every manager's job.

We shall agree that the functions of influence on human resources in the organization should be inbred in every manager, but in our opinion the HR manager is distinguished by some specific functions (particularly with regard to the innovation processes in the organization) that shall be studied further in this article.

In Bulgarian management practice the HR management has undergone certain changes, as follows: (www.hrcafe.eu/bg (http://discoverybg.muffty.org/pdf/humanresources.pdf)

1. year 1944 – "Personnel" department
2. year 1955 – Personnel manager
3. year 1965 – Human relations manager
4. year 1975 – Human resource manager
5. year 1990 – two trends: forecast and strategy
6. year 1994 – highly varied functions of the HR managers.

Nowadays the title of "Human Resource" Manager of HR manager is clear and well known including to the general public, and "Personnel" Management, "Staff" Management and "Human resource" Management are used as synonyms.

The typical activities of the HR sectors are multifold, but we shall focus our attention on those aiming at solving the company strategic problems and looking for new functions. Some of them are:

Involvement of the HR managers in work groups engaged with the business development;

The consultations by the part of the HR managers and specialists in the field of design and development of new products and services;

Analysis of the influence on the quality of management of labour force in the field of innovations and of the time required for market launching of new products.

Even based only on this small part of the types of activities typical for the HR sectors, it becomes clear that the significance of the *HR management* is critical for the organization survival and success. That's why the HR departments (directorates) are becoming more and more important. Of course, in order to provide efficient management beneficial for the individual, society and business, the HR managers should be functional experts and capable administrators, able to flexibly guide and support the new managerial practices.

The understanding of the key role of the human resource of the organization as a guarantee for its competitive power is traditionally related to the analysis of the reasons

substantiating the need for the development and implementation of innovations in the HR management.

In other words in modern management it could be confidently spoken of *personnel innovations* or *novelties in HR management* (called also *innovation personnel management*). This type of innovation is considered a subsystem of the overall system of management innovations within the organization. Therefore the concepts "personnel innovation" and "managerial innovation" are closely related. The latter is related to every organized decision, system, procedure or method of management, all being significantly different from the past practice and used for the first time in the organization. It also should be taken into consideration that the innovation is related to the practice of management in every particular organization.

The modern purpose of innovation in the field of human resources is most commonly related to the implementation of the following objectives: (Кудрявцева et al (2013)

1) improvement of the productivity of work;

2) efficient training and development of staff;

3) improvement of the occupational relationships and establishment of a creative environment;

4) improvement of the quality of life;

5) stimulation of constructive ideas;

6) liberation of managers from the routine management functions, better utilisation of people's skills and capabilities;

7) staff's increased sensitivity and adaptation to innovations.

In response to these challenges, the changes of the notions of the essence of innovations in personnel managements are accompanied by changes of the notion of the roles of the HR management sectors in the organization. The new functions of the HR sectors and HR management discussed throughout the recent years in the works of D. Ulrich find their final configuration in conformity with the common understanding of strategic tasks of modern HR management (Figure 1). (Ulrich (1997)

Figure 1. New roles of the HR management sectors in the modern organization
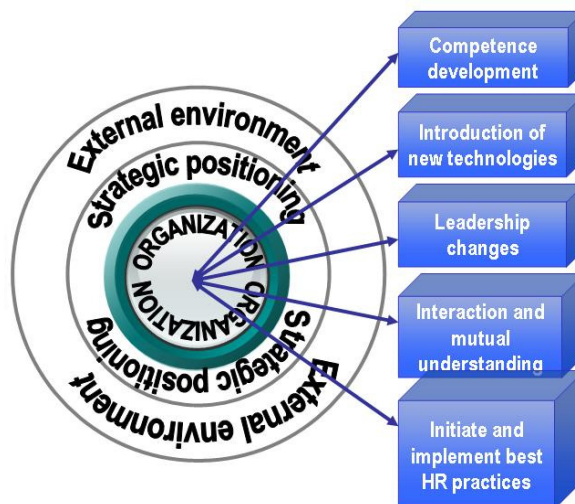
Currently there is no clear approach to classification of innovations in HR management. One of the few classifications focuses attention onto several basic innovation areas: (Кудрявцева et al (2013)

1. Innovation-educational management – innovations in professional training at higher schools, colleges and other educational establishments;

2. Innovation-personnel marketing – formation of new and efficient staff potential;

3. Innovation-technological personnel management – new methods of work with the staff in the course of introduction of new technologies and professional activities, certification and attestation of the staff, new allocation of functions and powers within the current staff structure, innovations in the forms and methods of training for re-qualification and improvement of qualification of the staff, methods for employees stimulating and shifting, improvement of work with talented cadres of the organization.

The classification of largest distribution is that of the innovative personnel technologies based on the staff processes:

Technologies of staff selection and recruitment (personnel marketing, case-interviewing, testing, head hunting, competence-interviews, e-recruiting, etc.);

Technologies of assessment and attestation of staff (Assessment centre, 360 degree method, coaching, etc.);

Technologies of staff dismissal (personnel leasing, outsourcng, outstaffing, etc.);

Technologies of ongoing activities and work with staff (staff grading, stress management, conflict management, etc.)

In the light of the representations hereinabove it should not be surprising that according to the most recent researches on the HR manager influence in the organization it is equally strong with regard to the organizational policy alone (31%), as well as with regard to the combination of the organizational policy and corporate strategy (55%). *(Figure 2)*

Picture 2. HR manager's influence in the organization

- ■ **Both - 55%**

- ■ **Organizational policy (recruitment and retention of staff, training and attestation) – 31%**
- ■ **Neither - 8%**

- ■ **Corporate strategy - 7%**
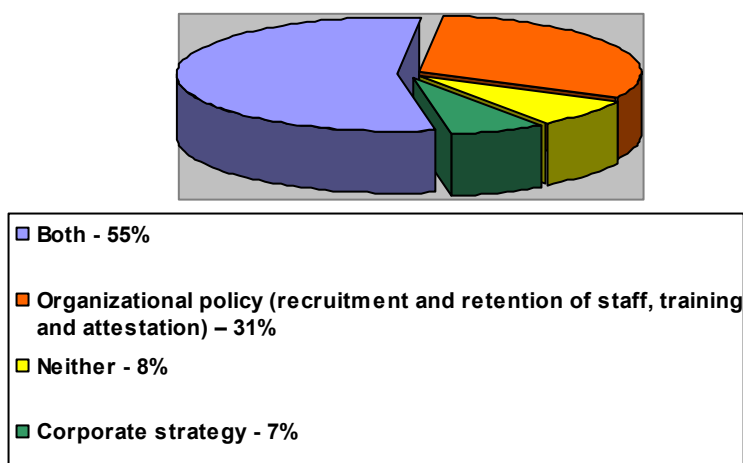
As it was already mentioned, the HR manager has multiple functions. Some of them remained from the first managers of "Personnel" department, others have been added in the course of the years, third – meet the requirements of nowadays. We shall try to outline graphically the most important of them related to the innovation processes in the modern organization

Figure 3. HR manager's functions
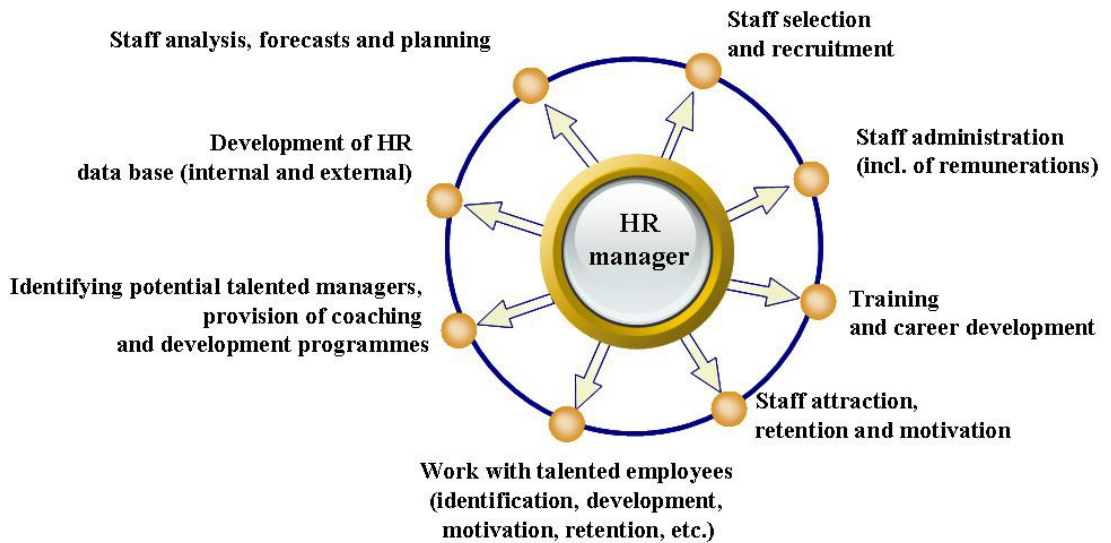
The analysis, planning and forecasting of staff is one of the exceptionally important functions of the HR manager in which the innovative personnel technologies are inevitably used. The researches to that regard describe the current and forecasted condition of human resources in the company, as well as the state of the human resources external for the company (the identified places of work).

The recruitment and selection processes aim at the selection of the most suitable applicants to fill in the vacant jobs as soon as possible. The high quality recruitment and the high quality development of staff guarantee the successful performance of human resources in modern organizations. The investments in human capital in the form of financing of the major areas of recruitment and development would result in an improved return on investment in the organization in the form of high quality, trained, motivated and successful staff.

This is an example of the measures for optimization of work through innovations with human resources and the degree to which they are needed by the modern organization *(Figure 4):*

Figure 4. Measures for optimization of work and introduction of innovations in the area of human resources

As seen in the graphics the managers still place on the first place the maintenance of the market positions, and on the last – the employment or replacement of key employees.

Regardless of that the work for training and career development done by the HR managers is very important and involves innovative personnel technologies as the analysis of policy and programmes with regard to the qualification and development of human resources. Five large subsystems are most often concerned here: (http://discoverybg. muffty.org/pdf/humanresources.pdf)

   1. qualification and training
   2. pay and financial stimuli
   3. possibilities of development and career
   4. assessment of performance
   5. internal communication.

The processes related to training and development have a significant influence on staff's performance and motivation, they affect the retention and involvement of employees. Training is in charge of the introduction into the company and of the development of the competences required for doing the particular job. That's why it is of extreme importance for the HR managers to use all the innovations available in the area.

 In fact the research referred to hereinabove brought interesting data with regard to the training and professional qualifications of the managers themselves through one of the most popular innovations – the Internet. It turned out that the modern HR specialists are intensively communicating and exchanging experience with their colleagues online in professional forums and social networks, using electronic magazines, books and blogs *(Figure 5).*

Figure 5. Using the Internet communications by the part of the HR managers
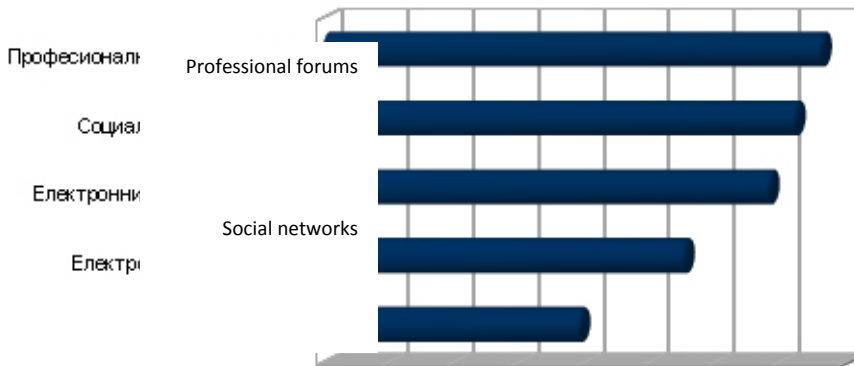
Furthermore the HR specialists use the computer technologies and information systems to create a database called "information system of human resources" that makes the management more efficient. Apart from the in-house database, there could be external databases, too, having to do with their work. With regard to the information sources the modern managers place at the foreground the discussions with the linear managers followed closely by the conduct of a complex assessment of staff, the questionnaires completed by the employees and last, the outside suppliers. This is easy to understand as the preparation of a HR development strategy requires detailed internal information. The respondents state that they do not have sufficient internal information available, which is a consequence from the imposed approach of searching the information "from the upside-down", at the expense of the differing model that relies on the more valuable information but in the direction "from down to the upside" *(Figure 6)*.

Figure 6. Possibilities for the establishment of a "database"
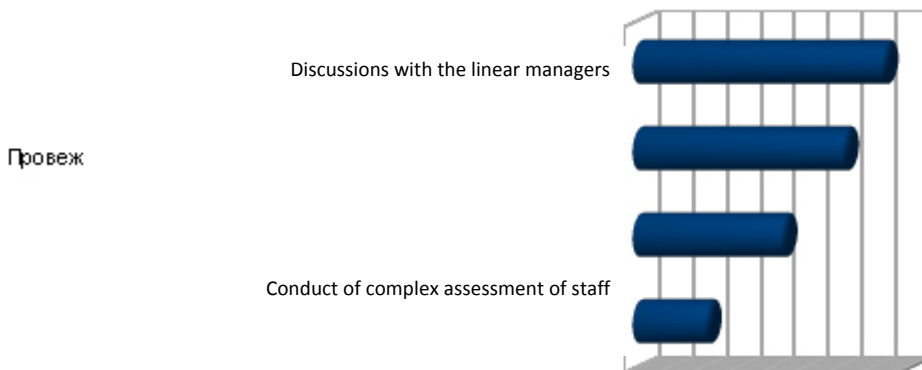
On the other part among the sources of information for the competitors the HR managers rank first the informal sources – 92%, placing at almost the same level the online media 84%. This is explicable to a large extent as although the modern communication environment intensively uses online (84%) and printed (55%) media and social networks,

the personal opinion and recommendations by the part of colleagues and partners is much more valuable and significant for the professional development *(Figure 7)*.

Figure 7. Information sources
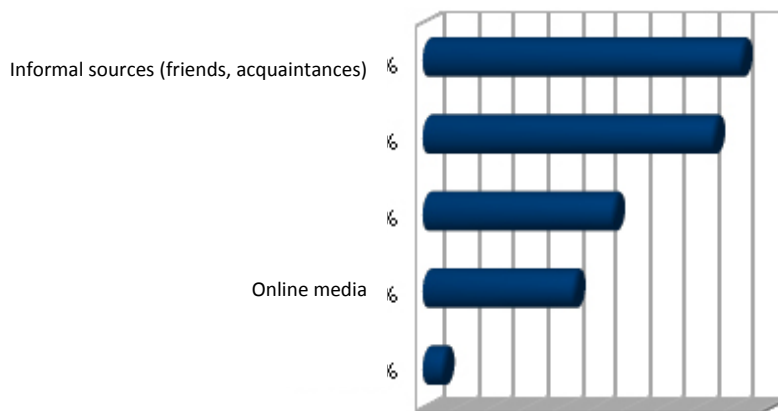
This way the Internet has become one of the most important instruments in the professional life of the HR managers and they themselves appreciate very highly the benefits of the net in making professional contacts, as well as in finding potential professionals for their organizations. The majority share that the Internet is the leading source of data for their awareness with regard to the market and projects.

The "Staff Administration" function involves the manager in the employment legal relations with employees, the occupational environment, the legal issues and the whole system of documents concerning the labour tasks. This function covers also the area of remuneration and extra benefits. It concerns the development of a unified structure of base salaries, schemes of short- and long-term extra stimulation, bonus schemes and systems, extra benefits system, conduct of comparisons of the salaries with the market level and search for solutions for the achievement of adequacy to the labour market. This area includes also the search for information of current market trends in the field of staff remuneration and stimulation. The HR manager's task is to observe that these processes are in conformity with the legislation currently in force and to design as principles such new remuneration systems that will contribute to the achievement of the company business objectives, fairly reflect the contribution of people to the company and satisfy them.

An important modern function of the HR manager is the *Work with talented employees*, (Үшева (2010) comprised of identification, development, motivation, retention, etc.). Here the use of innovations in the area shall contribute not only to the identification of talents and their retention into the organization but will also secure loyalty. Here the innovative personnel technologies can be used to the fullest through understanding the new trends in the development of the labour market and the use of new approaches in management of the "new staff" – the employees whose features meet the major social-cultural trends of the age by providing coaching and programmes of development and mentorship.

In our opinion one of the most important functions of the HR manager is the *identification of potential talented* leaders. (Ушева (2010) The HR manager should be prepared to become a consultant of the leader, i.e. should have the required competences and habits of managerial consulting. In other words this is the place of the technologies for the improvement of the psychological and professional competence of the leaders. The achievements of modern psychology of management convincingly prove that different styles of management should be "applied" to the different employees. Furthermore, the same person under different circumstances shall "require" different managerial influences. The recognition of this rule obliges the managers, and the HR managers first, to have a psycho-diagnostic and communication competence developed to a level that will let them reflex timely and interpret properly the psychological status of their subordinates, as well as apply the technology to purposefully change these states to the interest of the organization.

These are only few of the HR manager's functions; therefore his/her role in the modern organization becomes more and more significant. Apart from all the functions mentioned above, he/she together with the higher management establishes the in-company policy and corporate strategy for staff management in general, imposes corporate culture and supervises the implementation of all the decisions taken with regard to the human resources of the company.

The development and application of the innovation systems of staff management in every organization serves as the most important indicator of the speed of the general innovation development of the organization. The practice shows that the innovations in the field of human resources lead to serious changes in other fields, too – in the product produced by the organization, in the process of development of relationships with key customers and partners, and even in the organization of economy in general. The knowledge and understanding of the modern trends in the development of staff management allows the organization to take an adequate position in a strongly competitive environment and to establish unique competences at all levels, guaranteeing the success and efficiency of employees in particular and of the organization in general.

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COMMUNICATION AND PERSONALITY. THE IMPORTANCE OF BUILDING MESSAGES ACCORDING TO PERSONALITY TRAITS

Beatrice Adriana Balgiu[1], Victor Adîr[2]

Abstract

In most cases, the persuasive communication of the information contained in advertisements is carried out according to gender or age characteristics and to the target group's interests. In this article we are analysing the idea according to which there is a connection between messages and the receiver's personality profile (Hirsh, Kang and Bodenhausen, 2012). Therefore, we asked a research population to assess a five-version advertisement of a mobile phone. The advertisements were created in order to correspond to each of the personality superfactors of the Big Five model. Also, the students filled in a personality survey (the Romanian version of the Big Five model). The findings show that adjusting the messages to individual personality could be a way to increase the message's impact and to highlight the potential of the communication strategies centred on personality traits.

Keywords: communication, messages, personality, advertisement

Messages, advertisements and personality

The communication of advertising messages is a major field of activity and an essential component of the global economy. It is believed that psychology plays an essential role in the identification of the strategies used for improving the effectiveness of persuasive communication. (Cialdini, 2007, Petty, Cacioppo, 1996). Such a strategy consists in building messages according to receivers' characteristics. Since this can be easily tested and it is recognisable in advertisements, whose informative text should be concise and supported by the force of an idea (Moldoveanu and Miron, 1995, Balgiu and Adîr, 2009), we have focused on the small-sized text. In general, the message of advertisements was adapted to gender and age characteristics, but also to audience's interests. A new hypothesis is emerging, that is the necessity of the congruence between the advertising message and the personality type. Hirsh, Kang and Bodenhausen (2012) explored this possibility by analysing the effect of the congruence message-person obtained by framing the persuasive messages in the personality traits which are mentioned in the Big Five model: Extraversion, Neuroticism, Agreeableness, Consciousness and Openness to experience. Each of the five personality dimensions also reflects an aspect of the motivational system. For example, the Extraverts are sensitive to

[1] University Polytehnica of Bucharest, Department of Social and Humanistic Sciences, Splaiul Independenţei, 313, Bucharest, Romînia, email: *beatricebalgiu@yahoo.com*, beatrice.balgiu@upb.org *Corresponding author: beatricebalgiu@yahoo.com*

[2] University Polytehnica of Bucharest, Engineering Graphics and Industrial Design Department, Splaiul Independenţei, 313, Bucharest, Romînia

rewards and social attention, the individuals with high Agreeableness value common goals and interpersonal harmony, the Conscious persons value personal fulfilment, tidiness and effectiveness, those defined by high Neuroticism are sensitive to uncertainty and threats, and the individuals Open to experience value creativity, innovation and intellectual stimulation. (McCrae and Costa, 1997).

Method

Subjects: 89 students in the technical field (58 boys and 31 girls) with age average M = 21,26, A.S. = 1,32

Hypothesis The impact of a persuasive message is congruent with the receiver's personality profile.

Materials

– Secondly, there have been used five types of advertisements in textual form, for a mobile phone called XPhone. The text in the advertisements was manipulated so that each advertisement could highlight motivational aspects related to one of the five personality superfactors, for example for Extraversion. "XPhone is the result of everything they've learned so far, a phone designed for strong, active, outgoing people likeyou. With the new XPhone, you'll always be where the excitement is. You're the life of the party, and the XPhone will keep you in the spotlight. Experience the fun and rewards of the latest technology, and express yourself to the world. Get in touch with your social side and harness the power of the XPhone to get you more of the attention you deserve." For Self-actualization: "XPhone is the result of everything they've learned so far, pushing the envelope of innovation. With the new XPhone, you'll have access to information like never before, so your mind stays active and inspired. Designed with intelligence and sophistication, the XPhone helps you channel your imagination wherever it leads you. Broaden your horizons with the latest technology, and discover the world in ways you never thought possible. Get in touch with your creative side and the XPhone."

The subjects evaluated each advertisement using a scale of five points (1 – strong disagreement – 5 – strong agreement) answering the following six items 1 – I think this advertisement is persuasive; 2 – This is an effective advertisement; 3 – After I have seen this advertisement, I would buy this product; 4 – I like this advertisement; 5 – After I have seen this advertisement I would like to know more about this product; 6 – After I have seen this advertisement I would like to learn more about this phone.

In the end we built an average of the answers provided for the six statements.

Results and discussions

In the statistical analysis we preferred the method proposed by Hirsh et al. (2012) which consists of comparing the correlation indexes. Therefore, on the one hand, we correlated each of the five superfactors with the choices which correspond to the respective factor. The difference between the two types of correlations shows that the correlation indexes are bigger in the first correlational analysis in comparison with the second one. Under these conditions, we obtained the following results: for Extraversion (r.difference = .25, t = 1,85), for Maturity (r. difference = −.29, t = − 3,80), for Agreeableness, (r. difference = .20, t = 1,50), for Consciousness (r. difference = .13, t =

1,20), for Auto-actualization (r. difference = .18, t = 1,21). All the results are calculated at p < .005. We can notice that the evaluations for each advertisement are congruent with the corresponding personality factors, with the exception of the Maturity superfactor. It is possible that this result could be caused by the difference in content between the Neuroticism factor in the Big Five Aspects Scales – the tool which was used in Hirsh et al. (2012) research and the Maturity one from the survey, which was administered to the Romanian population. The Neuroticism factor is, in its structure, a negative one, usually defined as a tendency to easily experience unpleasant emotions such as anger, low self-esteem, anxiety, depression or vulnerability. To the same extent, Costa and McCrae (1990) – the authors of the Big Five model– define Neuroticism as a general tendency to experience fear, sadness, guilt and disgust. The Maturity factor from the ABCD-M (Minulescu, 2008) survey focuses more on adaptability, generosity and on aspects which involve the lack of social anxiety, control over negative emotions.

The congruence between the other four factors: Extraversion, Agreeableness, Consciousness, Actualisation and the evaluation of the corresponding advertisements is promising for building messages in correlation with personality traits.

Conclusions

In the above-mentioned study we investigated the importance of adapting advertising messages to personality traits. We could consider that this way of building messages has a significant impact when they are congruent with the receiver's personality traits. In other words, the effectiveness of building messages increases with the adaptability to the receiver's unique traits. The investigation suggests that the way of building messages according to individuals' personality profile may bring about an effective persuasive campaign. Given the fact that building messages according to individuals' traits seems to be an innovative technique, we can recommend the sales websites which collect data about individuals to give importance to personality traits.

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THE DETERMINATION OF THE COEFFICIENT OF PROPORTIONALITY THROUGH THE FORECASTING METHODS

Professor PhD. Căruntu Constantin[1]
"Constantin Brâncuşi" University of Tg-Jiu, Faculty of Economic Sciences and
Business Administration,
tel. 0766296163, fax. 0253/215031, e-mail: caruntu_ctin@yahoo.com
Assistant Professor PhD. Lăpăduşi Mihaela Loredana[2]
Constantin Brâncuşi" University of Tg-Jiu, Faculty of Economic Sciences and
Business Administration

Abstract

The financial forecast represents a wide open field to the researches from the economic field that comprise a series of techniques and methods which can be applied with success in a high performance management. The theme of the article is a part of the interest area of the research field "Innovation Management, Risk Management and Crisis Management".

The research methodology is a fundamental one, but also an application one. It is a fundamental research because through the theme approached we have tried to ensure new approaches towards knowledge and offering new practical application in the future, and an application research because we shall use the results of other research categories, as well as empirical knowledge transforming them into forecast and measurement techniques for improving the management of a company.

The aim of the article is that of highlighting the way in which the proportionality coefficient is determined with the help of the forecast methods "percentage of turnover" or "speed of rotation". Thus, it is forecasted the value of the proportionality coefficient for the year for which the forecast is desired, according to the evolution of this coefficient and eventually of the optimizations that the company has in consideration.

The objective of the article is represented by showing the possibility of applying a modern technique of financial forecast that can be used in the economic and financial activity of the company.

On the basis of those mentioned above it can be confirmed the relevance and the degree of excitement of the theme investigates in comparison with the existent research.

KEY WORDS: proportionality coefficient, inventory turnover, financial forecast.

JEL CLASSIFICATION: G3 - Corporate Finance and Governance

1.Introduction

In the context of forecast and financial analysis it is created the premise of the establishment of causal relationships between the economic phenomena, also of the factors which influence the phenomena, having as aim, finally, to establish the best

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[1] SC ALPIS SA, Strada Alexandru Vlahuţă (zona Hotel Gorj), bloc 6, parter, Tg-Jiu, Gorj;
[2] Strada Victoriei nr.7, bloc 7, scara 1, etaj 1, apartament 2, Tg-Jiu, Gorj;

strategies of management performance of a company. Taking into consideration the direct connection between turnover and stocks, the final strategy of increasing the turnover must highlight a real situation, having in view the evolution and management of stocks, as also the forecast methods of them.

By writing this article we have tried to bring an intake to the research area by emphasizing not only the theoretical part of the theme approached but also the application one, considering that these financial forecast methods can influence significantly the management of a company. Also, we have tried to realize an extension of the problem regarding the proportionality between two elements dependent one to the other. In our case, we have chosen the turnover and stocks, two important elements that put their fingerprint on the evolution of the economic activity of a company. Thus, for determining the proportionality coefficient we have chosen two forecasting methods respectively "percentage of sales" and "speed of rotation".

In elaborating this article we have consulted the analysis and reference studies of some authors from the Romanian and foreign literature. By performing an arrangement of the approaches from the domain literature regarding this theme, we have tried to surprise the applicability and efficiency of the forecast methods with the help of the proportionality coefficient.

Concerning the application of the financial forecast methods, in the specialty literature we find a series of authors of some books or specialty studies related in a smaller or bigger measure to the subject. We shall mention some of these: Păvăloaia W., Cocoşilă M., Helfert E., Buglea A., Lezeu D., Stanci I., Popa L., Spătaru L., and the examples may continue.

2. Materials and methods

In establishing the theory for this article we have started by presenting the definitions of key elements of this research (proportionality coefficient, turnover, stocks, 'percentage of turnover' method and 'speed of rotation' method)., definitions which have as role to indicate precisely the significance of the terms presented previously. After presenting these definitions we have described a series of aspects which offer information referring to the behavior of the key elements from the study. The next step in establishing the theory for this article has been the presentation of a set of predictions which are deducted from the hypothesis of the theory and the presentation of a work hypothesis with the view of confronting the theory with the economic theory. Also, in deepening this article we have used the following operations for studying the economic phenomenon: observation, the explanation and forecast.

In what regards the methods used, we have chosen the analysis and synthesis unit method, the historical method, the unit quantitative and qualitative analysis methods and also the economic- mathematical modeling. We shall describe briefly each method which has put its fingerprint more or less in realizing this article.

The analysis and synthesis unit method involves two actions is particularly important for the analysis of an economic phenomena. The analysis involves the dismemberment of

the phenomenon in its component parts, each being analyzed as complex, and the synthesis involves bringing together components of reconstituting the entire phenomenon, highlighting the key elements and the dominant trends in the evolution of the phenomenon under study.

The historical method is a method that starts from the historical evolution of the analyzed phenomenon that is considering the following moments: emergence, development, evolution, transformation and disappearance of the phenomenon, using in particular historical data.

The method of quantitative and qualitative analysis unit involves the evaluation of economic quantities in natural units and in money then searching arrangements for the transformation of quantity into quality, meaning shift to new ways of organizing the economic activity, to a new level of economic development.

The economic-mathematical modeling involves the schematic reproduction of a process or economic phenomenon in the form of a linear system, consisting of variable sizes, that allows the development of scenarios of the evolution and the choice of optimal variants. The economic-mathematical models are presented in the form of equations and mathematical formulas or in the form of graphs.

3.The methodological and theoretical approach

In the theoretical part of this article we are going to start with the presentation of the definitions of the key elements around which this study is coated. We remind that these concepts are: the coefficient of proportionality, inventory, turnover and the two methods of forecasting.

The coefficient or proportionality factor is a concept used in the mathematical realm, but it is used with much success in the economic field and represents the value of the ratio of two quantities directly proportional to x and y. In the literature and in the financial practice the coefficient of proportionality is used to highlight two elements of proportionality depend on one another.

A short definition of the proportionality factor we can find it on the site www.thefreedictionary.com which mentions that this represents „ the constant value of the ratio between two proportional measures x and y noted usually as $y = k \cdot x$ where k is the proportionality factor''.

In the mathematical domain it is said that two variables are proportional if a modification in one is accompanied by a modification in the other and if these changes are concerned by the use of a constant. This constant can be called proportionality coefficient.

If one variable is always the product of others and the constant, the two are said to be *directly proportional*; x and y are directly proportional if the ratio x/y is constant. If the product of the two variables is always equal to a constant, the two are said to be *inversely proportional*; x and y are inversely proportional if the product xy is constant. (http://en.wikipedia.org)

Graphically these aspects are presented as:
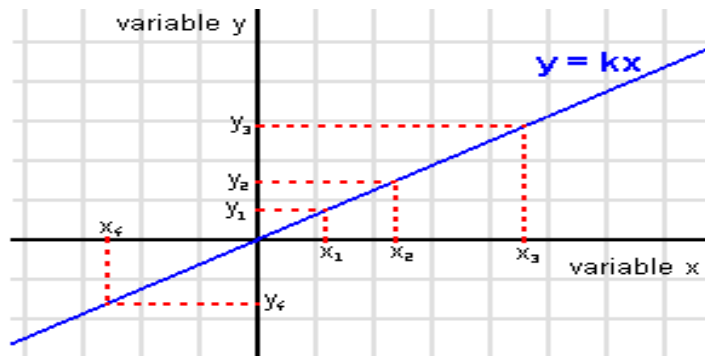
(y is directly proportional with x)
Graph no. 1
The graphical representation of the proportionality coefficient:
Source: http://en.wikipedia.org/wiki/File:Variables_proporcionals.png

An effective storage policy involves speeding up the rotation of stocks, thereby improving the performance of the activity of a company, respectively to reduce expenditure and increase revenues. One of the factors on which inventory are subject to significant influence is turnover.

Accelerating the rotation speed, thereby improving the performances of the company requires: thorough study of the demand, timely completion of contracts, increased requirements in relations with suppliers in order to ensure a regular insurance and a range of products which correspond to the quantitative, qualitative and structural market requirements, the optimization of safety inventory by synchronizing the incoming and outgoing flows, the optimization of supply terms in accordance with the specific conditions of each unit, the expansion of direct supply, the promotion of modern forms of production and sale, the effective use of human and material potential of the company (Niculescu M., 2003).

The inventories are fixed assets, which must be used rationally and dimensioned as judiciously, according to the nature and their destination: the current inventory, safety, seasonal, and so on (Petrescu S.,2004)

In a broad sense the turnover represents the totality of income from the sale of goods, provision of services and execution of works. It is the one of the most important indicators that reflect a company's performance and can take a number of forms including: net turnover, turnover margin, critical turnover, average turnover.

The proportionality between the necessary of financing the operational cycle and the turnover of the management period considered is an important problem that highlights the connection between turnover and inventory. The quarterly necessary is determined as:

$$Nec_{trim} = \frac{CA}{90} \cdot Rc$$

where:

Nec_{trim} - the necessary quarterly determined on each of the significant elements presented above;

CA –turnover quarterly forecasted;

Rc – the kinetic rate(days outstanding of the current assets in ratio with turnover).

The necessary of financing quarterly is established by each category of inventory, in accordance to the specific kinetic ratios and determined previously on the basis of the financial statement of the previous year.

As a particularly important problem for the optimal investing in stocks is the structure and quality of them, the possibility of selling and transforming them quickly in money, meaning the degree of liquidity of the merchandise stocks, packages and other assets.

As a significant part of the current assets is covered through short-term bank loans, the company is in a position to deal in any time with the commitments from banks; or it may be made only to the extent that can distribute operatively stocks purchased. In the event that the organization achieves turnover not provided and cannot honor obligations in time against third parties (banks, suppliers, other operators) it goes into default and can be placed in judicial liquidation even if, generally speaking, it works effective and it is solvent. (Sighigea N., Popescu L., 2003)

The method "percentage of sales" is based on two ideas: stocks vary with the turnover and the value of inventories is optimal or at least satisfactory in relation to turnover. In a market economy, turnover is the dominant indicator of the economic life of a company. Depending on sales, the production capacity, the supply, the number and structure of staff are adjusted.

Also, this method can use any of the elements of the financial statements that vary in proportion to sales. In applying this method we emphasize the following steps:

1.the computation of the percentage for „t" period: $p_t = \dfrac{\text{elementu "}x_t\text{"}}{CA_t} \cdot 100$

where:

$t = 1, n$

x_t – the estimated value for „t" period of the element related to turnover;

CA_t – turnover of „t" period;

2.prediction for „t+1" moment: $x_{t+1} = p \cdot CA_{t+1}$

where:

p – the predicted percentage computed usually as an average of the percentages for the historical periods p_t;

x_{t+1} – the predicted item for „t+1" period;

CA_{t+1} – the estimated turnover for „t+1";

The main advantage of using the "percentage of sales" method is the ease with which it can be applied. But there are also weaknesses of this method such as the planning realism. For example, the specific capitalization elements such as assets, the need for working capital and net cash are not proportionate in relation to turnover:

the assets will not rise in correlation with the sales until after the completion of the available production capacity, in jumps, and therefore, their planning is based on the rate of utilization of the production capacity;

the net current assets may be in a direct proportionality with the square root of turnover.

However, the 'percentage of sales' method is frequently used in the financial planning.

The method "rotation coefficient" is based on the use of a coefficient also called the number of rotations made by a volume of current assets and is determined as the ratio between the business volume achieved expressed through the turnover (CA) or the production budget (Qe) and the amount of current assets used for this purpose (Ac). (www.contabilizat.ro)

This indicator shows how many rotations the current assets make in a period (year, quarter etc..), but what is more important is the calculation of the number of rotations per categories of stocks, the rotation on their elements, as this aspect will provide more detailed information on the management of raw material, reflecting and locating positive and negative behaviors of various business activities.

Together with defining this indicator we also calculate and analyze the speed of inventory turnover, and a rotation corresponds to a certain time that the shorter the faster the company can recover the initial capital invested, and if the proceeds are greater than the payments this period a surplus of money is recorded (own funding source). This indicator shows in how many days the current assets make a fully rotation or over how long time one dollar invested in fixed assets will be recovered. The speed of rotation will be speeded up (current assets have a more efficient use) when the rate of rotation will be greater and the length of a circuit smaller.

4. Working hypothesis

Our work hypothesis corresponds to a guiding idea, a theme that will guide the research towards observation and anticipation of the existence of the proportionality between two or more phenomena or elements, connections to be validated by experimentation. Specifically in this article we highlight the proportionality between stocks and turnover, reflected at the end in an estimation of the optimal values of the stocks. Thus, we used two methods of prediction, namely the 'percentage of sales' and the' rate of rotation. "

The reasons I chose this working hypothesis are mainly the following: the simple and effective approach to these methods, providing information to meet the needs of an enterprise, operational forecasting needs, providing a fairly detailed picture of short-term forecasting, determining proportionality between two parts dependent on each other. Data used in the development and deepening of the work hypotheses were taken from the site of Public Finances in SC OMV PETROM S.R.L.

4.1. Determination of the coefficient of proportionality through the 'percentage of sales' method

To highlight the role and importance of the proportionality coefficient we took into account two important indicators that will influence a company's business development, namely turnover and stocks. First we analyze the evolution of stocks and turnover of SC OMV PETROM S.R.L. for the past six years and it is as follows:

The stocks and turnover evolution of S.C. OMV PETROM S.R.L Table no. 1

NR. CRT.	Year	STOCKS - LEI	NET TURNOVER- LEI
1.	2012	1.763.435.040	19.510.054.765
2.	2011	1.695.805.503	16.565.465.973
3.	2010	1.828.696.965	13.953.092.655
4.	2009	2.097.889.862	12.842.384.017
5.	2008	2.394.434.361	16.750.726.457
6.	2007	1.922.375.343	12.284.378.408

Data source: www.mfinante.ro

Based on the above data, the stocks and turnover evolution is as follows:
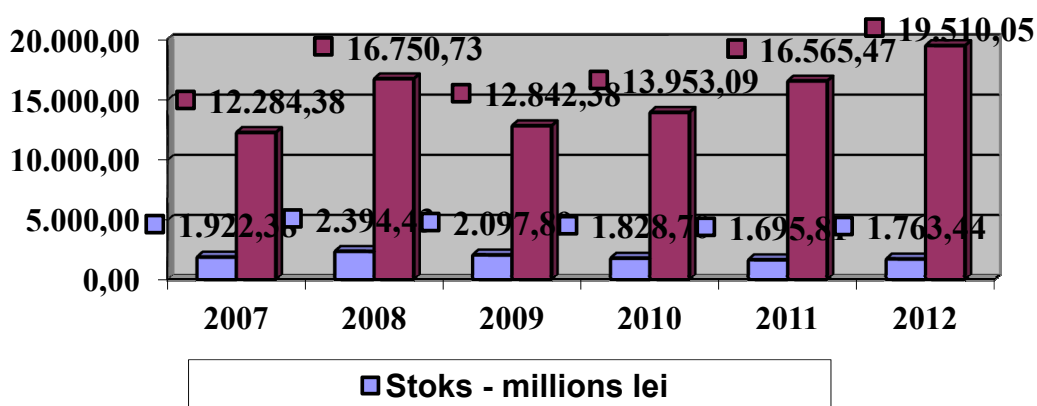
Graph no.2

The stocks and turnover evolution of S.C. OMV PETROM S.R.L. during 2007-2012

Source: own processing of the data

From the data and the graph presented it can be seen that the turnover values were quite significant throughout the period considered, the highest values were recorded in 2008 and 2012. The evolution of stocks was a fairly constant, only the years 2008 and 2009 made a small exception, they recorded values over two billion. Regarding the share of stocks in turnover, this generally included low values up to 16% of turnover. This signifies a favorable situation for SC OMV PETROM S.R.L.

Starting from the idea that stocks are designed to synchronize processes with different rates (supply-production-distribution-sales), they must ensure the efficiency of operation, and finally to positively influence the financial results of the company. Based on

these considerations, we proceed to analyzing and determining the proportionality of the asset, inventory and sales. The first step in determining the coefficient of proportionality is to determine the percentage value of stocks in turnover as average, minimum and maximum value. For this we start from the next calculation relation:

$$G_{stocuri} = \frac{Stocuri}{Cifra\ de\ afaceri} \cdot 100 \cdot$$

The computation of the share of stocks in the turnover of S.C. OMV PETROM S.R.L Table no. 2

NR. CRT.	Year	STOCKS - LEI	NET TURNOVER - LEI	$G_{stocuri} = \dfrac{Stocuri}{Cifra\ de\ afaceri} \cdot 100$
1.	2012	1.763.435.040	19.510.054.765	9,04
2.	2011	1.695.805.503	16.565.465.973	10,24
3.	2010	1.828.696.965	13.953.092.655	13,10
4.	2009	2.097.889.862	12.842.384.017	16,34
5.	2008	2.394.434.361	16.750.726.457	14,29
6.	2007	1.922.375.343	12.284.378.408	15,65
7.	**Average value**	-	-	**13,11**
8.	**Minimum value**	-	-	**9,04**
9.	**Maximum value**	-	-	**16,34**

Knowing that the stock size is dependent on the turnover we determine the coefficient of proportionality recorded until the time of forecast. Thus, it will be necessary to predict how much turnover should increase in 2013 for the company's activity to be more profitable compared to previous years. Before setting the increase percentage in turnover for 2013, we first have to observe the growth trend of turnover recorded in previous years.

Determination of the growth trend of turnover of S.C. OMV PETROM S.R.L Table no. 3

NR. CRT.	Year	NET TURNOVER - LEI	$R_{creştere\ CA} = \dfrac{CA_1 - CA_0}{CA_1} \cdot 100$
1.	2012	19.510.054.765	17,78
2.	2011	16.565.465.973	18,72
3.	2010	13.953.092.655	8,65
4.	2009	12.842.384.017	-23,33
5.	2008	16.750.726.457	36,36
6.	2007	12.284.378.408	-
7.	The average increase in turnover	-	9,70

Given that turnover registered an average growth rate of 9.70%, for 2013 we forecast an increase in turnover of 15%. Thus if we consider the prediction, based on the proposed scenario regarding the stocks percentage in turnover rate as an average, minimum or maximum value, we estimate an expected size of stocks according to the relations below:

1. $Procentul\ mediu \cdot cifra\ de\ afaceri\ previzionată\ pentru\ anul\ 2013$

2. $Procentul\ minim \cdot cifra\ de\ afaceri\ previzionată\ pentru\ anul\ 2013$

3. $Procentul\ maxim \cdot cifra\ de\ afaceri\ previzionată\ pentru\ anul\ 2013$

Thus, we obtain the following values:

Determining the optimal values of stocks by the 'percentage of sales' method Table no. 4

NR. CRT.	PERCENTAGE VALUES FOR HISTORICAL TIME PERIODS	$K = procent \cdot CA_{previzionat}$	OPTIMAL VALUES -LEI-
1.	Average value - 13,11%	13,11 % x 19.510.054.765 x 115% or 13,11 % x 19.510.054.765 x (1+15%) or 13,11 % x 22.436.562.979,7	2.941.433.406,63
2.	Minimum value - 9,04%	9,04 % x 19.510.054.765 x 115% or 9,04 % x 19.510.054.765 x (1+15%) or 9,04 % x 22.436.562.979,7	2.028.265.293,36
3.	Maximum value - 16,34%	16,34% x 19.510.054.765 x 115% or 16,34% x 19.510.054.765 x (1+15%) or 16,34 % x 22.436.562.979,7	3.666.134.390,88

From the calculations we observe that the maximum value of the stocks is of 3.666.134.390,88 lei. It should be noted that the main factors that determine the size of stocks are the projected level of sales, the manufacturing process time, the perishable finished products, the ease of supply and the ease of replacement of the stock, the consequences of failure to achieve a certain type of material. (Buglea A., 2008) These factors vary greatly from one economic sector to another, for example in tobacco stocks

have a high value due to a long production process while in the oil the stocks have lower value as raw material is not used.

4.2. Determination of the coefficient of proportionality through the „rotation time" or the „speed of rotation" method

This method also is related to the proportionality between the element dependent on the turnover, namely the stocks and the turnover and primarily involves determination of the rotation coefficient and the inventory turnover from the previous time of the forecast moment and secondly the determination of the inventory forecasting.
The inventory turnover period is a financial indicator of operational efficiency, which evaluates the average period when the stocks of companies are transformed into finished products and sold to customers. Reducing the level of this indicator means accelerating the rotation.

The inventory turnover period is expressed in days and it is obtained by dividing the total inventories multiplied by calendar time to turnover. The indicator represents a measure of the efficiency of the production of the company and can provide information about the difficulties that appear in selling the existing stocks.

For S.C. OMV PETROM S.R.L the rate of rotation and the inventory turnover recorded the following values:

Calculation of the rate of rotation and the inventory turnover at S.C. OMV PETROM S.R.L. Table no. 5

NR. CRT.	YEAR	STOCKS - LEI	NET TURNOVER - LEI	RATE OF ROTATION or DURATION IN DAYS OF A ROTATION $Dz = \dfrac{St \cdot 360}{CA}$	NUMBER OF ROTATIONS PER YEAR or THE SOEED OF ROTATION $Nr = \dfrac{CA}{St}$ sau $Nr = \dfrac{360}{Dz}$
1.	2012	1.763.435.040	19.510.054.765	32,54 days	11,06
2.	2011	1.695.805.503	16.565.465.973	36,85 days	9,77
3.	2010	1.828.696.965	13.953.092.655	47,18 days	7,63
4.	2009	2.097.889.862	12.842.384.017	58,81 days	6,12
5.	2008	2.394.434.361	16.750.726.457	51,46 days	6,99
6.	2007	1.922.375.343	12.284.378.408	56,34 days	6,39
7.	Average value	-	-	47,20 days	7,99
8.	Minimum value	-	-	32,54 days	6,12
9.	Maximum value	-	-	58,81 days	11,06

Starting from the previous prediction regarding the increase in turnover of 15% for 2013, according to the proposed scenario regarding the rate of rotation and the inventory turnover through the turnover as an average, minimum and maximum value, we estimate the expected size of stocks as follows:

Determining the optimal inventory values through the "rate of rotation" method
Table no. 6

NR. CRT.	NUMBER OF DAYS OF AN INVENTORY TURNOVER	$K = \dfrac{CA_{previzionat} \cdot Dz}{360}$	OPTIMAL VALUES -LEI-
1.	Average value - 47,20 days	$K_{mediu} = \dfrac{22.436.562.979,7 \cdot 47,20}{360}$	2.941.682.701,77
2.	Minimum value - 32,54 days	$K_{minim} = \dfrac{22.436.562.979,7 \cdot 32,54}{360}$	2.028.015.998,21
3.	Maximum value - 58,81 days	$K_{maxim} = \dfrac{22.436.562.979,7 \cdot 58,81}{360}$	3.665.261.857,86

By applying the 'rate of rotation' on the projected turnover we obtained the same values for estimating the forecasted size of stocks. The management of these stocks is performed using the management rate expressed through the rate of rotation and the inventory turnover as stated in the table 5.

The duration in days of a rotation is that indicator which measures the time interval between the moment of investing a sum of money in current assets and the moment of their recovery by selling the finished products. The smaller the duration the more effective is the company's activity. This duration is influenced by multitude of factors that can be grouped into internal and external factors.

The internal factors are related to the economic activity of the company and are found in the cycle of production, the technological process complexity, the features of the stored products, the seasonality of production. The external factors are related to the environment in which the entity operates, being found in the economic situation, the connections between the company and its business partners (suppliers, clients). (Buglea A., 2008)

5.Rezults and conclusions

From the beginning we wanted that the results of this study would be a contribution to existing approaches in the literature in the field and also tried to analyze in detail the applicability and efficiency with which it can be analyzed and determined the coefficient of proportionality by using methods of forecasting. They have always been a key tool in developing future strategies for an effective economic and financial activity of a company.

The inventory management efficiency translates into profits generated mainly by: gains from additional sales due to providing the quality requirements and the deadlines of the customers, cost savings due to avoiding the problems of stocks, cost savings as a result of an optimal sizing of the inventory and of the size of orders. The main indicator of the

use of inventories is the inventory turnover. This indicator can be expressed as the number of turns and the duration in days of a rotation.

In conclusion, the time variation of the inventory turnover (accelerating or slowing it) has an effect on the financial position and the profitability of the entity. The financial consequences of the acceleration (deceleration) of the speed of rotation translate into mass releases of (immobilization) stocks. This is determined by the relationship:

$$E(I) = \left(Dr_1 - Dr_0\right) \cdot \frac{CA_1}{360} = \pm \text{ lei}$$

Starting from the data from table no. 5 we establish if the inventory turnover of S.C. OMV PETROM S.R.L registered a slowdown or acceleration during the period under review.

$$E(I)_{2008/2007} = \left(Dr_{2008} - Dr_{2007}\right) \cdot \frac{CA_{2008}}{360} = \left(51,46 - 56,34\right) \cdot \frac{16.750.726.457}{360} = -227.065.403 \text{ lei}$$

$$E(I)_{2009/2008} = \left(Dr_{2009} - Dr_{2008}\right) \cdot \frac{CA_{2009}}{360} = \left(58,81 - 51,46\right) \cdot \frac{12.842.384.017}{360} = +262.198.673 \text{ lei}$$

$$E(I)_{2010/2009} = \left(Dr_{2010} - Dr_{2009}\right) \cdot \frac{CA_{2010}}{360} = \left(47,18 - 58,81\right) \cdot \frac{13.953.092.655}{360} = +1.199.750.013 \text{ lei}$$

$$E(I)_{2011/2010} = \left(Dr_{2011} - Dr_{2010}\right) \cdot \frac{CA_{2011}}{360} = \left(36,85 - 47,18\right) \cdot \frac{16.565.465.973}{360} = -475.336.843 \text{ lei}$$

$$E(I)_{2012/2011} = \left(Dr_{2012} - Dr_{2011}\right) \cdot \frac{CA_{2012}}{360} = \left(32,54 - 36,85\right) \cdot \frac{19.510.054.765}{360} = -233.578.711 \text{ lei}$$

From these calculations it follows that the inventory turnover decreased in 2008/2007, 2011/2010 and 2012/2011 and in the years 2009/2008 and 2010/2009 the inventory turnover increased. In the case of the reduction of inventory turnover, its consequence was the release of stocks, and in the case of the increase in the inventory turnover, its effect was the property of the stocks.

The results from the realization of this article allowed us to accept that the coefficient of proportionality can be used successfully in financial forecasting methods applicability. From the calculations we have seen that an effective stock management has a positive influence on one of the main economic and financial indicators of the company, the turnover. This hypothesis is also strengthened by the complex approach of the two forecasting methods in determining the optimal value of the inventory with which I also highlighted the two indicators reflecting the judicious management of stocks namely the speed of rotation and rate of rotation or the number of turns in days.

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CASH FLOW STATEMENT – TOOL FOR EFFICIENT MANAGEMENT OF THE FINANCIAL SITUATION OF THE ENTERPRISE

Senor Assistant Viktor Hadzhikotev
South West University "Neofit Rilski" - Blagoevgrad

Abstract

Dynamism of economic activity and changes in the regulations which it governs, cause sometimes substantial deviations between actual and expected financial situation of enterprises. One comes to a situation where enterprises provide a result in the profit and loss statement, drawn and conform to the current regulations, while experience shortages of cash. It is to clarify such facts and circumstances of annual financial statements of enterprises targeted nature of the cash flow statement. Significant differences occur between the time when cash flows are reported in the accounts, on the one hand, and the time in which they occur, on the other. Structural changes and inflation processes in economy cause the natural need to be monitored over time, since the impact of these external factors is reflected more quickly in the information presented in the cash flow statement rather than in the content of the profit and loss statement.

Keywords:
Cash flow statement
Analysis
Control
Market economy
Management of the enterprise

Introduction

The ability of an enterprise to meet its obligations on time and its ability to expand and grow depend on adequate levels of cash. The valid measurement of an enterprise's cash inflows and outflows is an important indicator of a firm's short-term liquidity, long-term solvency, and operating performance.

When a firm issues financial statements for external use, three statements are presented: (1) an income statement, (2) a balance sheet, and (3) a statement of cash flows. The last statement is important because cash is universally acknowledged as the most liquid of assets. Also, cash is used to repay loans to lenders and pay dividends to stockholders. Cash is ultimately needed for a business to remain viable operationally. For example, it is needed to replace inventories that are sold and to replace plant and equipment a firm uses in its operations.

Cash is the beginning as well as the end of an operating cycle. Thus, cash is converted into inventories, which are then sold and converted into accounts receivable. When these accounts are ultimately collected from the firm's customers, the collected cash enters the operating cycle again and the process is repeated. The firm's objective, then, is

that more cash will be returned to the firm at the end of an operating cycle than is used at the beginning of the cycle.

A balance sheet is a "snapshot" view of the status of a firm's funds at one instant of time. The liabilities and owners' equity side of the balance sheet shows the sources from which the funds that the firm is currently using were obtained: so much from accounts payable from long-term creditors, from shareholders, from retained earnings, and so on. The assets side shows the uses that the firm currently is making of these funds: so much is tied up in cash, in inventories, in plant and equipment, and so on. A flow statement explains the changes that took place in a balance sheet account or group of accounts during the period between the dates of two balance sheet "snapshots."

The income statement is a flow statement: it explains changes that occurred in the Retained Earnings account by summarizing the increases (revenues) and decreases (expenses and dividends) in retained earnings during the accounting period. The income statement focuses on the economic results of the entity's operating activities during a period. Key concepts in the measurement of the period's income are revenue recognition and the matching of expenses. Revenue is recognized in the period in which the entity performs its revenue generating tasks (e.g. delivering goods or providing services), irrespective of whether the customer pays cash at that time or agrees to pay later. Expenses measure the resources consumed in generating the period's revenue and in administering the entity during the period irrespective of when cash was used to pay for those resources. Thus, the period's income bears no direct relationship to the cash flows associated with the period's operations. Also, because of its focus on the results of operations, the income statement does not provide information about the entity's investing or financing activities during the period.

Materials and Methods

For the purposes of the investigation is used the method for recording, processing and presentation of accounting economic information.

As a whole, the "question of the formulation of the requirements to which the statement of cash flow must be subordinated and for the objectives to be achieved with its help, has been active discussed in the accounting world in economically advanced countries, and in particular in the U.S.A in the early 70s. In the 80s appear the first standardized reporting forms, which afterwards undergo some changes, following the dynamics of conceptual understanding of the goals, tasks and methods of formation of this specific report on the most important liquidity, and hence for liquidity of the company. The relative slow resolution pas this problem is connected to some purely accounting traditions arising from the need to report the obtained financial result (profit or loss) from operations. The formation of financial has its expression currently but not always and not only in the movement of funds. Its value changes during the reporting period as the principle of accumulates is applied, that, though not being in line with the "current" movement of cash, at the beginning of the discussion completely unjustified opposes the principles of accountability of cash flows" Velkov M. (1999).

In Bulgaria the Cash flow statement is included in the annual financial statement of enterprises al from 1998, when the then current Accounting Act (State Gazette no.

21/1998) included it as Annex no.3 (art.40, par. 1, p. Z of that Act). In 2002 is reelaborated and in 2005 – basically modified.

The purpose of the cash flow statement is to provide information about the *cash flows* associated with the period's operations and also about the entity's investing and financing activities during the period. This information is important to shareholders, part of whose investment return (dividends) is dependent on cash flows, and to lenders, whose interests payments and principal repayment require the use of cash. The welfare of other constituencies of a company - including its employees, its suppliers, and the local communities that may levy taxes on it - depends to varying degrees on the company's ability to generate adequate cash flows to fulfill its financial obligations.

A statement of cash flows explains the change in cash and cash equivalents for the period of the statement. Cash and cash equivalents include cash, demand deposits, and short-term, highly liquid investments. These investments are both readily convertible to known amounts of cash and so near to maturity that no significant risk is present for a change in market values from their face values.

Although fragmentary information on sources and uses of cash is obtained from comparative balance sheets and income statements, a comprehensive picture of this area of activity is found only on a statement of cash flows. A statement of cash flows, classified into operating activities, investing activities, and financing activities, provides information about the sources and uses of cash over a period of time. Operating activities include all the earning-related activities of producing goods and services for customers. Thus they include all the cash inflows and outflows entering into the determination of net income. Investing activities include the making and collecting of loans to other enterprises, the purchase and sale of equity instruments (stocks) of other enterprises, and the purchase and sale of the firm's property, plant, and equipment. Financing activities include the sale and purchase of a firm's own capital stock, the borrowing of cash, the repayment of debt, and the payment of dividends to a firm's stockholders.

Cash flow is a term that is widely used but poorly understood. Standing alone and unqualified, the term cash flow is meaningless. A company can experience cash *inflows* (i.e., cash receipts) and cash *outflows* (i.e., cash disbursements). Moreover, these cash inflows and outflows can relate to a variety of activities (e.g., the profit-directed activities that are called "operations," or financing activities, or investing activities). We can also identify the difference between the inflows and outflows of cash for each of these activities and for all combined activities of the enterprise. These are referred to as net inflows or net outflows of cash. Thus, a net inflow of cash reconciles to an *increase* in the cash balance for the period, and a net outflow corresponds to a *decrease* of the cash balance for the period. To avoid confusion, the type of cash flow referred to should be specifically described. When using the term *cash flow,* users of financial reports mean cash generated by operations. However, cash flow is also used to describe other concepts of generated cash, such as the net change in the cash balance. These uses of the term depend on the needs and objectives of the users.

Results

Managers, stockholders, potential investors, creditors, financial analysts, employees, and their representatives are concerned with the future course a company will probably take. Managers are concerned with the firm's future operating results and its ability to attract capital. Satisfactory profits are needed to keep stockholders satisfied and to preserve their tenure as managers. Sufficient cash must be generated for the firm to continue operating and pay dividends. Stockholders are concerned with a firm's operating performance and its profits. Dividend payments and the stock market price of a firm's shares are usually a function of the firm's profit performance. Potential stockholders have similar concerns. Creditors are concerned that interest and principal payments will be paid when due. Normally, a sufficient cash flow must be generated to provide for these payments. Financial analysts provide advisory services to other users, and their recommendations depend on their ability to make satisfactory predictions regarding a firm's future operations and financial condition. Employees and their collective bargaining representatives are concerned with negotiating increases in wages and benefits without forcing the firm into bankruptcy. Essentially, a firm's employees are interested in securing a "fair share of the pie," so they need analysts to project what the size of the pie will be in the future. Thus, they must also project what the firm's future results of operations will probably be.

Although financial statement analysis by itself cannot provide all the answers to the concerns of the decision makers noted above, it can assist them in their deliberations. All user groups are the major users of a firm's financial statements. Because financial statements are prepared using a historical cost framework, the statements represent a summary of past transactions. Although external users may be interested in historical results to evaluate the company's past performance, their main focus is future oriented (i.e., how well the company will perform in the future). Management's concerns are also future oriented. Thus, statement users must use various analytical tools to make inferences from historical financial statements regarding a firm's future expected performance. The inferences assist users in their decision making.

In the enterprise must be given considerable attention to cash flow because they "present the most fundamental events to which accounting measurers are based, on the one hand, and the assumptions on which conclusions of investors and creditors are based, on the other" Hendriksen E. (1982).

Objectivity of the data presented in the cash flow statement is complemented by their possibility to allow appraisal of liquidity and solvency of the enterprise.

The short-term liquidity of an enterprise is measured by the degree to which it can meet its short-term obligations. Liquidity implies the ready ability to convert assets into cash or to obtain cash. The short term is conventionally viewed as a time span up to a year, although it is sometimes also identified with the normal operating cycle of a business (that is, the time span that is the buying-producing-selling and collecting cycle of an enterprise).

The importance of short-term liquidity can best be measured by examining the repercussions that stem from a lack of ability to meet short-term obligations.

A lack of liquidity may mean the enterprise cannot take advantage of favorable discounts and profitable business opportunities as they arise. At this stage, a lack of

liquidity implies a lack of freedom of choice as well as constraints on management's freedom of movement.

Solvency is a broad concept concerning the possibility of obtaining funds for a short time in order to meet unforeseen or extraordinary payments or to be used for favorable investment opportunities, as well as make them available for any purpose required by business interests. The importance of the category solvency is that it is necessary when considering the prospects for the future existence of the company. The inability to overcome systemic insolvency leads to bankruptcy, compulsory liquidation, loss of the right to claim toward the company by the share and stock holders, by its creditors, i.e. leads to restructure debts and value of stocks and shares, resulting in losses for both sides.

One of the most widely used measures of liquidity is working capital. In addition to its importance as a pool of liquid assets that provides a safety cushion to creditors, net working capital is also important because it provides a liquid reserve with which to meet contingencies and the ever-present uncertainty regarding an enterprise's ability to balance the outflow of funds with an adequate inflow of funds.

Conclusion

The amount of cash held by a well-managed enterprise is a precautionary reserve, intended to take care of short-term imbalances in cash flows. In cases of a business downturn, sales may fall more rapidly than outlays for purchases and other costs. Because cash is a nonearning asset and cash equivalents are usually low-yielding securities, the investment in such assets is kept at a safe minimum. To consider this minimum balance as available for payment of current debts would require the dropping of the going-concern assumption underlying accounting statements. Even though the balance of cash has some relation to the existing level of activity, such a relationship is not strong, nor does it contain predictive implications regarding the future. In fact, some enterprises may use cash substitutes, such as open lines of credit, that do not enter into the computation of the current ratio. The important link between cash and solvency is illustrated by the well-known fact that a shortage of cash, more than any other factor, is the element that can clinch the insolvency of an enterprise.

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THE CUTTING EDGE BETWEEN THE MASS
AND LUXURY TOURISM

Mariya Stankova, PhD, Associate Professor
South-West University "Neofit Rilski" – Blagoevgrad
Faculty of Economics, Department of Tourism[1]
e-mail: mzlstan@yahoo.com
mob.phone +359 886 75 76 70

Svetoslav Kaleichev, PhD student
South-West University "Neofit Rilski" – Blagoevgrad
Faculty of Economics, Department of Tourism
e-mail: kaleichev@abv.bg
mob.phone +359 887 29 92 45

Abstract

Observing the tendencies of the international tourist market through the last few years shows some changes in the behavior of the real and potential tourists. These changes are significant and reflect on all participants of the process of forming and realizing the tourist product – the suppliers of the tourist package, its manufacturers and distributors. In this new situation, new, higher requirements are brought up to the indicators for steadiness, diversity and quality, ensured from the tourism industry. The initiated surveys on the international tourist market show that despite the worldwide recession, there is one area of the tourism market that is rapidly expanding. That is the upscale or luxury market.

Interesting, however, is that despite the importance of the luxury market, there is no one definition. There is also a lack of one common definition for luxury travel. Noting this fact, the current report focuses on the attitudes of the younger generation, their relation to luxury in general and in particular to luxury travel and tourism.

Key words: luxury trends, tourism, travel

Introduction

Tourism is one of the fastest running industries in the global economy fostering economic development worldwide. Between 1990 and 2000 international tourist arrivals globally increased by 51 %. But the last few years ware difficult and challenging. International tourist arrivals grew by 4% between January and August 2012 compared to the same period of 2011 according to the UNWTO World Tourism Barometer. The resilience of international tourism in a continuing uncertain economy is further confirmed by the positive data on tourism earnings and expenditure. The one billion international tourists had traveled the world by the end of the year (http://www2.unwto.org/en/press-

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[1] 2, Krali Marko Street, 2700 Blagoevgrad, Bulgaria

release/2012-11-05/international-tourism-strong-despite-uncertain-economy). And, for the moment after 2012, the tourism market appears to be on the up again. There is optimism that 2013 will be better than 2012, albeit recovery will probably be very gradual (The Fáilte Ireland Tourism Barometer http://www.failteireland.ie/FailteIreland/media/ WebsiteStructure/Documents/3_Research_Insights/3_General_SurveysReports/REPOR T_Failte_Ireland_Barometer_Dec_2012-1.pdf). A survey, conducted by the Fáilte Ireland Tourism Barometer of tourism businesses at the end of 2012 showed that every sector expects 2013 to be much better than 2012. The analysts found that there is quite a strong sentiment in the industry that the tourism market had now 'bottomed out' and will pick up next year. Of overall respondents, about two in five (41%) expect increased visitor numbers in 2013, and a similar proportion (39%) expect the same level. 2013 is the year of 'The Gathering' and about half (48%) of operators state this as a positive factor likely to affect their business (quoted source, p. 3).

During the last year the international arrivals in Europe consolidated its record growth of 2011 despite on-going economic volatility in the Eurozone. Results were above average in Central and Eastern Europe (+9%), in line with the average in Western Europe (+3%), yet comparatively weaker in Southern and Mediterranean Europe (+1%) – one of the best performing European sub-regions in 2011 – as well as in Northern Europe (+0.2). Among the 10 largest international tourism earners, receipts grew significantly during the first six to nine months of 2012 in Hong Kong (China) (+17%), USA (+8%), Germany (+7%), France (+5%) and the UK (+4%). A number of other major destinations reported double-digit growth in receipts, such as Japan (+48%), Sweden (+26%), South Africa (+26%), Republic of Korea (+26%), India (+23%), Poland (+19%), Thailand (+17%), Russian Federation (+16%), Egypt (+13%), Czech Republic (+13%), Taiwan (pr. of China) (+11), Singapore (+10%) and Croatia (+10%) (http://www2.unwto.org/en/press-release/2012-11-05/international-tourism-strong-despite-uncertain-economy).

Even when the development of international arrivals shows that Europe as a tourist destination gained stability, it cannot be ignored that the growth rates of international tourist arrivals within Europe vary remarkably. Nevertheless, Europe is a very stable tourist destination compared to other large regions in the world. The enlargement process contributed to this by inducing international arrivals not only in the new Member States, but also between old and new Member States. The still existing gaps in income showed its rapid growth in the new Member States - and the differences in travel habits open a tremendous number of business opportunities and offer incentives to improve competitiveness. And among those revealed opportunities stands the potential of luxury and tourism consumption associated with it.

Observing the tendencies in tourism through the last few years shows some changes in the behavior of the real and potential tourists. These changes are significant and reflect on all participants of the process of forming and realizing the tourist product – the suppliers of the tourist package, its manufacturers and distributors. In this new situation, new, higher requirements are brought up to the indicators for steadiness, diversity and quality, ensured from the tourism industry. The initiated surveys on the international tourist market show that despite the worldwide recession, there is one area of the tourism market that is rapidly expanding. That is the upscale or luxury market.

Interesting, however, is that despite the importance of the luxury market, there is no one definition. There is also a lack of one common definition for luxury travel.

Research methods and materials

Methodological aspects of this study are related to the removal of specific projections of luxury over the tourism and travel industry in an effort to disclose the specifics of the influences and effects. The report draws affordable within the existing opportunities, approaches and methods. Implemented are the process analytical, intuitive and systematic approach and the methods of survey and observation. The presented approaches and methods are subject to certain methodology of the study. It provides rules and regulations on the structure and logical organization of methods and approaches aimed at discovering the essence of luxury in tourism.

Luxe, luxury or de luxe is explained by Oxford Advanced Learner's Dictionary as definition of a higher quality and more expensive than usual (http://oald8. oxfordlearnersdictionaries.com/dictionary/de-luxe). Luxe is another word for luxury. It may also refer to something being sumptuous or elegant for example 'a luxe car' (http://www.ask.com/question/what-is-the-definition-of-luxe). And because individual perceptions of luxury in general, and in particular of luxury tourism vary greatly, it would be interesting to bring concrete posts.

The virtual environment provides new opportunities for exposure opinions and attitudes of the people and therefore it is not surprising that there are blogs for luxury tourism, allowing users to exchange ideas. For example, the 'luxury travel blog' (Johnson, P., 2013) is a good illustration of this diversity. On its page have come together many posts such as:

"Luxury travel today is defined less by thread count and Michelin stars and more by access to the people, places and experiences that represent all that is authentic about a destination. There's no denying that comfort factors still apply and high standards of accommodation and dining will always feature on the luxury traveler's wish list. However, today's luxury traveler seeks more depth of understanding and immersion into local culture than ever before. People don't just want to see – they want to participate. The sales process is also critical and whilst the online proposition can be an asset in terms of booking more simple arrangements, clients looking for luxury experiential travel require a deep level of sophisticated knowledge and confidence during the sales process." – George Morgan-Grenville, Chief Executive Officer, Red Savannah.

According to Andrew Carr, Managing Director, Kennedy & Carr Ireland Travel "Luxury travel is a privilege truly experienced by few. To our private & custom tour clients it means having the right balance of local insight, independence and flexibility. They decide overnight locations in advance and choose daily from a menu of recommended sights, cultural experiences and personal leisure time. Many appreciate the luxury of "insider" access to castles, farms, fishing vessels, kitchens and artisan studios – incredible places that help them get under the skin of Irish society in a way that is personally meaningful. It is impossible to put a price on the stories they can tell of sampling fine whiskeys with eminent Dublin spirit traders or their child's impromptu lesson in Gaelic from the old shepherd they met on a country lane!"

The opinion of Steve Allen, Managing Director, WEXAS Tailor-made Travel also requires attention "Luxury is a much overused term. One traveler's luxury is another's ordinary. For WEXAS our focus is on delivering a seamless and personal service helping our clients to plan and then enjoy authentic, quality experiences that will be long remembered. The mode of travel and type of accommodation used can vary from a 5-star hotel or a boutique property to a unique building or an eco-style lodge but the common theme is that the experience is a special one. True luxury is a great travel experience, enjoyed in relative comfort.

The last few years attitudes towards luxury and luxury goods in general permanently changed**.** The tourism industry has also changed its attitude and this led to offering highly individualized, enriching, distinctive and unique tourism products for urban nomads, able to afford them.

Approaching the year 2012, it should be noted that this was the third year in a row of double-digit growth for personal luxury goods, with over the 200€B ceiling. And despite 2013 threats like higher taxes in France and the United States, slowing demand in China and Europe, counterfeiting, store overex-pansion, product overexposure and over-reliance on Flash, luxury businesses can hardly be affected (fig.1).

Figure 1.Expected growth by regions for the year 2013

Source: Worldwide Luxury Market Monitor

The effective product differentiation, continued high-quality standards, careful distribution, holding the price line, tighter cuddling of the customer and smart marketing will ensure that luxury has another bumper year ahead (Luxury Marketing Outlook 2013). Experts state that through four years of global turmoil, the luxury customer has proved resilient and loyal. What kept this demographic spending was the level of expectation sought and met. And they also predict that the mantra of 2013 has to be similar – to treat the customer like family and, in return, to receive almost unconditional love.

However, the tendency of increasing use of social media even trough luxury market share is of particular interest. Facebook, Twitter, Pinterest, YouTube and Instagram assure the connection between tourism business and customers and prospects. Dialogue is in. Their PC and mobile Web sites will get a drastic makeover, and applications across Apple and Google platforms will proliferate. Use of digital tools, including video, to showcase the brand story will increase, much of it designed to drive traffic in-store – more often than not, the main purpose of such sophisticated marketing and content.

Data show significant differences between old and young customers appear (Fig. 2).

Figure 2. Key macro trends, influencing customers

Source: Worldwide Luxury Market Monitor

According to WLMM, in connection with luxury and luxury consumption the European growth is undermined by the slowdown of tourist flows. For the moment, tourist flows slowing down, especially from Japan. While simultaneously, local

consumption has not recovered yet, especially in Mediterranean countries. Of course, in time the processes evolve and set new perspectives. Thus marked engines of luxury for 2013 are with different for the various regions power and their future expectations point to new milestones. For example, Intra-European tourism from Russia will expand its scale. Tourist flows to typical luxury destinations (Europe, US) and to emerging "eldorados" such as Dubai, South-East Asia or Australia will continue to develop on the background of changing consumption habits, more savvy shopping and new rising destinations (Worldwide Luxury Markets Monitor, Spring 2013).

Results
In an attempt to clarify the purpose of the study a survey was conducted among representatives of younger generation, in order to establish and explain their relation to luxury in general and in particular to luxury travel and tourism.

The survey involved 70 Bulgarian and 80 Japanese students who gave their answers to identical questions about luxury tourism. The group of subjects consisted of twelve questions and each of them has four possible answers: "Yes", "Maybe", "No" and "I don't know" (table 1)

Table 1.Students' questionnaire form

From the analysis of the received information, it is clear that there are significant differences in the way of thinking, expressing a personal opinion and understanding of a new and contemporary trend in tourism, namely luxury tourism. The difference between these two separate nations in terms of geographical, cultural, religious and even philosophical principles define the essential differences in determining the information obtained from questions. Actual distribution of responses for each of the questions, according to the nationality of the young respondents is submitted in Figure 3 and 4.

From the analysis of the information obtained stand some basic relations leading the selection of responses given from these two groups of students, as well as the basic trend in the selection of individual answers of those questions and the predominance of a particular group of them.

Figure 3. Answers of Japanese students

Figure 4. Answers of Bulgarian students

Brief Discussion
The survey data showed that for Japanese students most of the answers are related to the choice of the response "maybe", which is predetermined by the mentality, culture and the way of thinking of these students. Uncertainty in a given situation and determine their response, since this type of human culture to give a definitive answer to a question and the main reason is the fact, that the individual must be completely sure of it.

Regarding the Bulgarian students its can be noticed a clear and straight position on the responses to this individual questions. As can be seen they are observed predominantly

in the two basic ways of thinking from complete agreement and complete disagreement with the particular question.

And here may be concluded that the culture of a nation defined determines of the individual answers of Bulgarian and Japanese students. The second place is taken from depending of the knowledge for Luxury tourism which basically is the specified topic pasted in this study.

Detailed analysis on each issue allows making comparison between the two studied groups.

Question 1: Bulgarian students clearly marked "YES" as a basically answer, while Japanese students answer "YES" and "NO" in approximately equal value, demonstrating the larger interest of the Bulgarian students and conflicting desires and interests of Japanese students;

Question 2: Regarding the second question, there is identical between the responses of the two groups of students, as the predominant answer is YES, followed by MAYBE;

Question 3: Answer YES and NO are the same as value parameters in both groups, but for Japanese students the leading answer is MAYBE;

Question 4: Bulgarian students observed a strong YES, while the Japanese strong MAYBE;

Question 5: In the case of Bulgarian students we can see a separation of answers between YES and NO as value parameters, while the Japanese students separate the answers between YES and MAYBE;

Question 6: In this question is clearly distinct YES on Bulgarian students and MAYBE pronounced in Japanese students;

Question 7: Bulgarian students the leading answers are YES and MAYBE, while Japanese students has a equal values about answers YES and NO and clearly leading figure of the answer MAYBE;

Question 8: In both groups a clear leading answer is NO, followed by MAYBE;

Question 9: Bulgarian students give the answers NO and MAYBE in approximately equal amounts, while Japanese students give the clear answer MAYBE, while the other three responses are approximately the same values;

Question 10: At this question we can see a clear answer YES from Bulgarian students, while the leading answer from Japanese students is MAYBE;

Question 11: In both groups, a main answer is YES, but in Japanese group the following answer is MAYBE

Question 12: Bulgarian students give answers YES and MAYBE in approximately equal quantities, while leading Japanese response is MAYBE.

Conclusion

Studies relating to trends in the luxury tourism show a high degree of similarity with the luxury industry (The Future of Luxury Travel). Tourism and travel industry is influenced by such trends as uniqueness, brand imagery and high price levels and there is a clear distinction between ultra-luxury and affordable luxury as well as between luxury and mass tourism.

Above all, the demand for luxury travel is expected to grow - this show major market research, especially in relation to young customers. The purposely conducted survey confirmed another anticipated event - the greater use of online tools and smart phones will have an effect on the sales process and on communications within luxury travel industry. At the same time the interest in mass types of tourism remains strong for tourism industry itself, but also for a significant share of the tourism market, which is advantageous trade bait for a good vacation. This makes the dilemma between mass and luxury tourism severe. And of course, requires a scientifically based and practical to apply approach to benefits and disadvantages to justify the selection of future tourism development.

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http://www.ask.com/question/what-is-the-definition-of-luxe

Figure 1.Expected growth by regions for the year 2013

Europe   +0-2%

Americas   +5-7%

Japan   +4-6%

Asia Pacific   +7-9%
ex Mainland China

Mainland China +6-8%

ROW   +4-6%

_____

+4-5%

Source: Worldwide Luxury Market Monitor

Figure 2. Key macro trends, influencing customers

Baby Boomers	Generation X	Generation Y	Generation Z
55+	35-55	20-35	0-20
Retired/retiring	At the top of the career	First earning money/2nd generations	Spending parents' money
Mainly men	Men & women	Only children	Demanding

Exclusivity & status   Sense of belonging   Uniqueness

Scarcity   24/7 availability (at click)

Detached selling ceremony   Tailored entertainment

Personal relationship   "Customer relationship"   360° experience

Bricks & Mortar   Multichannel   Omnichannel

Source: Worldwide Luxury Market Monitor

Figure 3. Answers of Japanese students
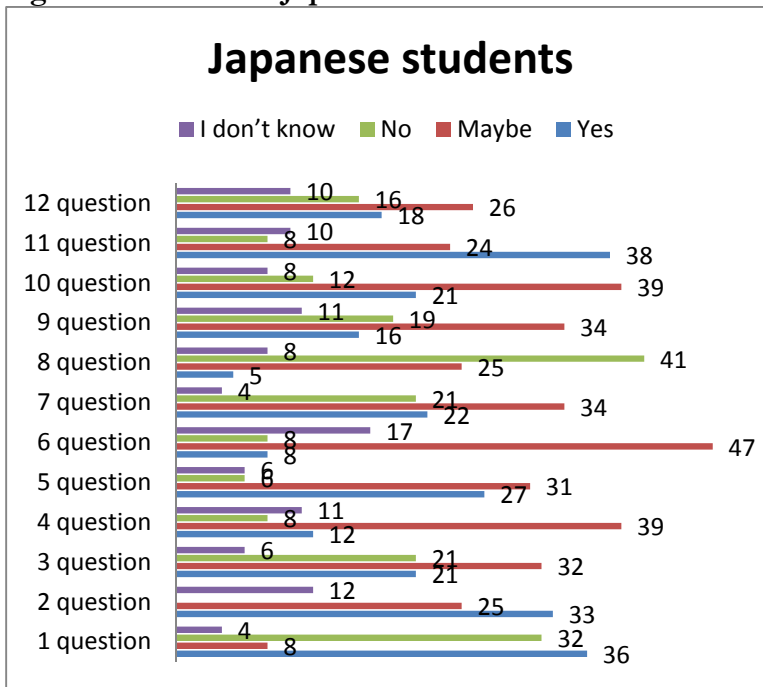
Figure 4. Answers of Bulgarian students
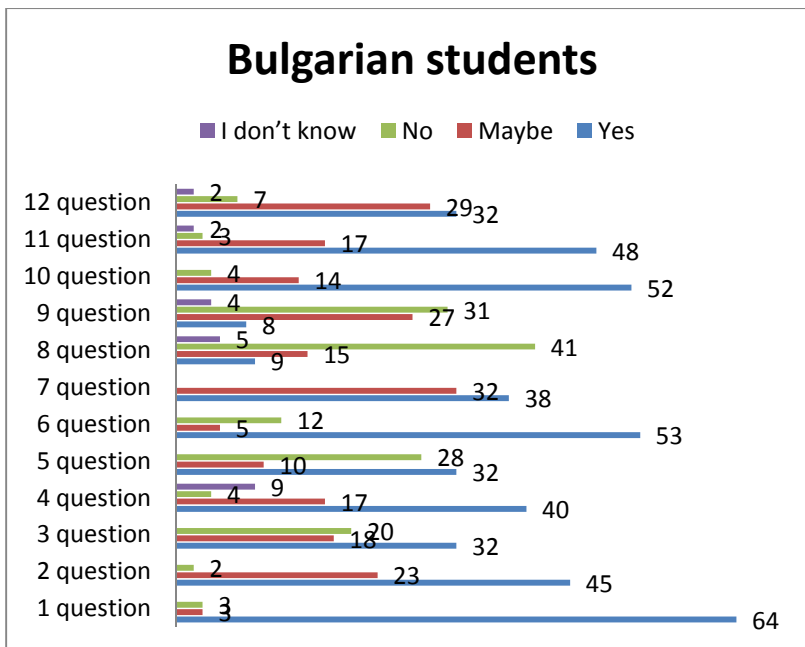
Table 1.Students' questionnaire form

Questions	Yes	Maybe	No	I don't know
1. If you had a chance, would you like to visit a luxury tourist destination?				
2. The richest tourists prefer luxury travel destinations more than the standard tourist destinations?				
3. By your opinion the price which you pay to stay at the hotel, is it important for the luxury status of the same hotel?				
4. The richest tourists are the main group of clients for the luxury tourist destinations?				
5. Is it Internet your primary source of information about luxury tourist destinations?				
6. Do you know people who are been a clients of a luxury tourist destinations?				
7. Do you think that the luxury tourist destinations are inaccessible to ordinary tourists?				
8. Do you think that the luxury tourism is the tourism of the future?				
9. Is the middle class of tourists a clients of the luxury tourism destinations?				
10. Is it possible the new information technologies to lead for a greater development of luxury tourism?				
11. The Space tourism belongs to a luxury tourism?				
12. Can the smartphones be a major source of information for luxury tourist destinations?				

TOURISM INDUSTRY AND ECONOMIC DEVELOPMENT IN BULGARIA

Associate Professor Desislava Stoilova, PhD
Faculty of Economics, South-West University "Neofit Rilski", Bulgaria
Phone: +359-896-056818, e-mail: dstoilova@abv.bg

Abstract

The *main objective of this paper is to study the influence of tourism industry on the economic development in Bulgaria during the period 1998-2013. Compared with other sectors in the country the tourism has been the main motive power of economic growth in the last fifteen years. Registering a significant growth rate, the tourism has contributed to improvement of the main economic indicators and therefore is considered as essential development generator. At the same time, tourism in Bulgaria is facing serious structural weaknesses, namely one-sided product mix, dependence on limited number of markets, high seasonality, low performance indicators, and extreme territorial concentration limiting the wider spread of its benefits, while significant part of tourism potential remains unexploited. The conclusion is that the growth of tourist industry and its contribution to the economy could not be sustained with the existing approach, which generates environmental, social and economic pressure. Serious interventions are required in order to ensure sustainable tourism development, to diversify products and markets, to improve tourism performance indicators and to encourage its wider geographical spread.*

Key words: economic development, tourism, GDP growth

Introduction

Bulgaria is a unitary state with 7.4 millions population and territory of 111 000 km². At present the administrative-territorial structure of Bulgaria includes two regions, defined as level NUTS I[1], six regions, defined as level NUTS II, 28 administrative districts corresponding to level NUTS III, and 264 municipalities, which represent the level LAU 1.[2] Currently, Bulgarian regions are on the last positions among the EU (27) regions in respect of the main economic indicators. The GDP per inhabitant in the most developed Bulgarian region at the level NUTS II, namely the South-West region is 75% of EU (27) average, while the rest five of the regions feature rates between 27% and 36%. The least developed NUTS II region in the European Union is the Bulgarian North-West region with GDP per inhabitant equal to 27 % of the EU (27) average. (Eurostat, 2013)

The economic development in Bulgaria during the last 15 years demonstrates clearly manifested territorial dimensions. The major growth-carrier is the South-Westn region,

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[1] NUTS I, NUTS II and NUTS III are the abbreviations of the levels I, II and III of the Nomenclature of Territorial Statistical Units within the meaning of Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003.

[2] LAU 1 is denotation for local administrative unit.

which creates 48.2% of the GDP, while the disparities among the rest of the regions are considerably smaller. The main factor for the faster development of the South-West region is the capital city Sofia, which concentrates a significant part of the national economy. At the more detailed NUTS III level it is visible that the district of Sofia (capital city) recorded a value of GDP per capita equal to 104.3% of the EU(27) average, while the remaining four NUTS III districts in the South-West region report values for this indicator below 50 %. (Eurostat, 2013) The situation is worse at the LAU 1 level, because the network of large cities that are the core centers of economic growth is unevenly distributed over the national territory, creating a significant build-up of municipalities with extremely low economic development indicators.

Tourism impact on the economic development in Bulgaria

In 1990s, during the transition period, Bulgarian economy has been deindustrialized. Compared with other sectors as heavy and light industry, mining and agriculture, the services are the main motive power of economic growth in recent years, contributing to 65.6% of the gross value added. (National Statistical Institute, 2013) Factor of great importance is tourism, which is both a large and a fast growing sector, being amongst the drivers of the Bulgarian economic development.

In the last five years, tourism contributed directly to 3.8% of GDP and 3.5% of employment. Having in mind the indirect and induced effects the contribution grows respectively to 13.9% of GDP and 12.8% of employment on the average. According to the database of the World Travel and Tourism Council, tourism contribution in Bulgaria is slightly above the average for EU (27), namely direct contribution 3.0% of GDP and 3.6% of the employment and total contribution respectively 8.3% of GDP and 9.1% of employment, and significantly higher than the average for the region of the Central and Eastern Europe[3] (direct contribution to GDP 2.7% and to the employment 3,1% and total contribution respectively 8,7% to GDP and 8,6% to the employment).

Figure 1 **Impact of Tourism on Employment in Bulgaria (1998 – 2013)**

Travel and tourism direct contribution to employment (thousand jobs)
Travel and tourism total contribution to employment (thousand jobs)
Travel and tourism direct contribution to employment (%)
Travel and tourism total contribution to employment (%)
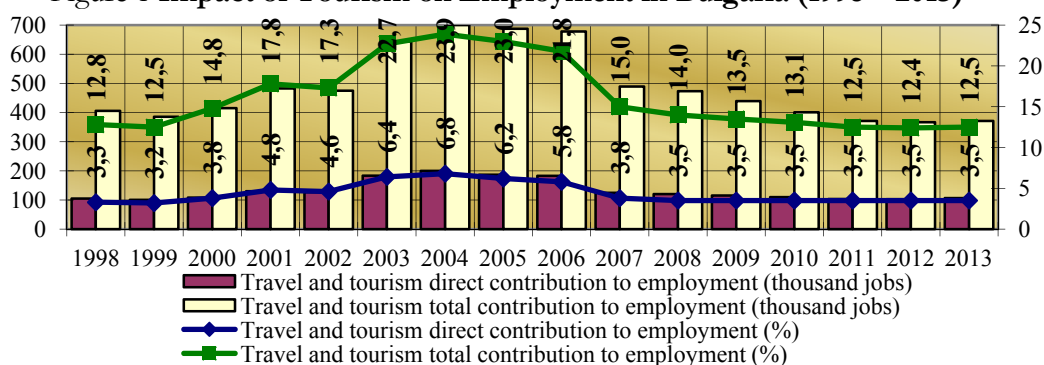
Source: World Travel and Tourism Council, **Note:** Data for 2013 are based on prognosis

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[3] The countries included are Albania, Macedonia, Serbia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

Figure 2 **Tourism Contributions to GDP and Capital Investment (1998-2013)**
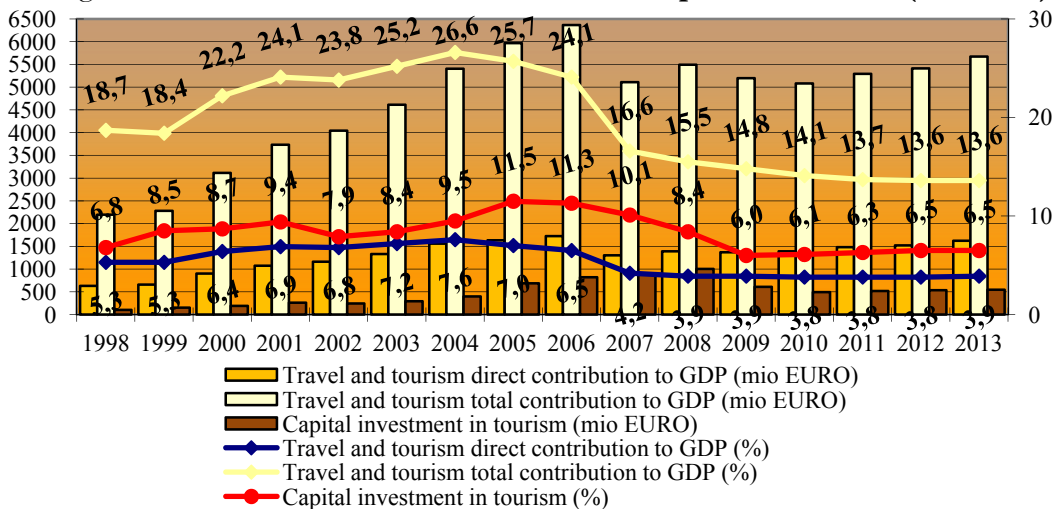
Source: World Travel and Tourism Council, **Note:** Data for 2013 are based on prognosis

Figure 3 **Trends in International Tourism of Bulgaria**
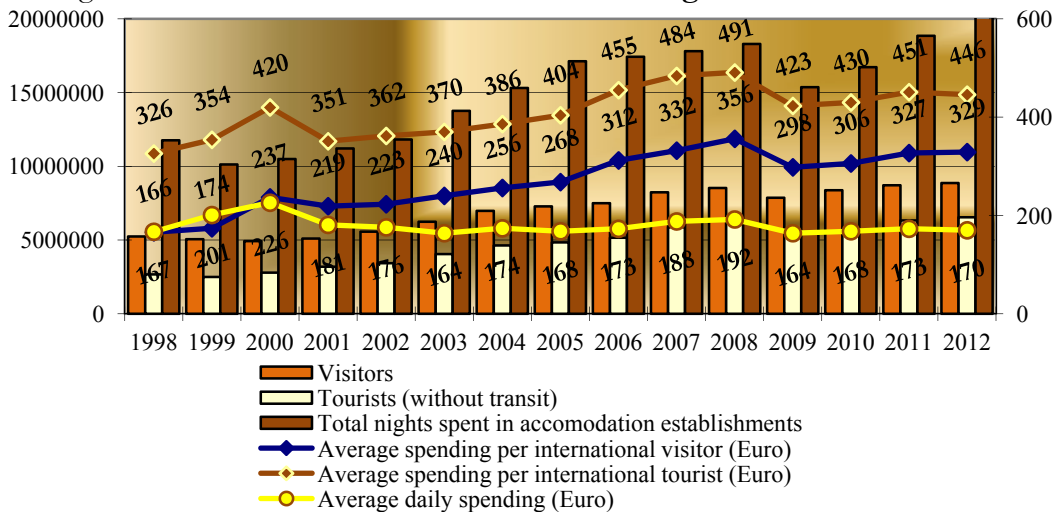
Source: National Statistical Institute of the Republic of Bulgaria

According to the database of the National Statistical Institute, after 1998 most of the Bulgarian tourism industry indicators have improved significantly and in many years featured a two-digit annual growth rates. The bed-capacity of accommodation facilities increased by 25% and reached 301 140 beds by an average annual growth rate of 3.5% for the period 1998 – 2012. Although not so intensive, this tendency is still persistent and only in the last five years the accommodation capacity has increased by 8.9%. The growth in the hotel sector was even higher registering an overall increase of 85% for the period 1998 – 2012. Moreover, the share of beds in higher category (4 and 5 stars) hotels has grown from

7% to 38%. As a result of the privatization process almost all accommodation is private and the structure of the tourist sector has become strongly fragmented and dominated by small and medium-sized enterprises.

Moreover, the number of visitor arrivals has grown by more than 80% and reached 8.9 million in 2012 by annual growth rates after 1998 between 4.5% and 18.9%. Slightly higher is the growth of visitors for the purpose of holiday and recreation that reached 4.6 million (twice more than in 1998). The total nights spent in accommodation establishments reached 20.3 million, including 13.5 million nights spent by foreign visitors and have increased even faster – 2.8 times more than in 1998 with an average growth rate for the period of 17.9% per year. (National Statistical Institute database)

Competitive advantages of Bulgaria as a tourist destination

The above described development is based on the potential and the specific competitive advantages of the country, providing for diversified and sustainable tourism development. Due to its natural and historical diversity Bulgaria has a considerable potential for tourism development. This is represented not only by the Black Sea coast and the mountains covering more than ⅓ of its surface, but also by the nine monuments included in the UNESCO World Heritage List (seven cultural and two natural), more than 600 mineral springs, thousands of local cultural and traditional attractions, more than 5% of the national territory in protected area status (including 3 national and 11 natural parks), 30 000 historic monuments, 36 culture reserves, 160 monasteries, more than 330 museums and galleries, rich traditions for festivals and holidays, preserved ethnographic heritage, national cuisine and quality wines. The country has 102 officially declared balneology, mud-healing and climatic mountain resorts as well as 33 seaside resorts. (State Tourism Agency, 2009)

Amongst the competitive advantages are also the location in a relative proximity to the major markets in Europe, the competitive price level (reasonable value for money), upgrading and building new accommodation and other facilities in the last years, the still relatively low degree of development of areas, attractive for tourism (more specifically in the mountains), the positive attitude of local population and authorities to tourism and tourists, as well as the relatively long history of international tourism development.

The conclusion is that Bulgaria is a country possessing rich and diverse potential for development of tourism. The available recreation and tourist resources allow the development of different types of tourism, as well as their utilization round the year or at least for two seasons. The National Strategy for Sustainable Tourism Development 2009 – 2013 provides an assessment of the position and prospects for different kind of tourism products, revealing that the potential of culture, conference, eco, rural, balneology, spa, sport and adventure tourism are higher compared to the traditional mass seaside and skiing tourism, as well as that the alternative forms of tourism need more marketing and advertisement. Although no specific and well grounded territorial assessment of tourism potential was carried out in the last 15 years, a number of studies agreed that around half of the national territory possesses favorable conditions for the development of diverse types of tourism as well as that there are no large areas without opportunities for tourism development. (National Center for Regional Development, 2003)

Moreover, all over the country tourism is perceived as one of the main tools to support regional and local development. Tourism sector expansion could have a positive influence not only on the sector itself but also on the development of related industrial and service sectors, employment and the general economic situation in the regions thanks to the catalytic and multiplier effect of tourism. It is especially important for peripheral areas where the development opportunity set is limited. This is evidenced by the fact that municipalities with developed tourism have a stronger economy compared to similar municipalities with no or limited tourism development as well as that in many cases tourism was able to compensate the loss of jobs and income opportunities caused by industrial decline. (UNDP, 1996 and 1998)

Although tourism in Bulgaria has a significant potential and has grown significantly over the last fifteen years, it is far from its volume at the end of 1980s (the number of nights spent is 3 times lower) and the market share in global and European tourism remains insignificant. Bulgaria accounts for 0.6% of international visits and 0.4% of international tourism revenues in the world as well as for 1.1% of international visits and 0.8% of international tourism revenues in Europe. In terms of nights spent in accommodation facilities Bulgarian tourism accounts for only 0.5% of all nights spent and for 1.3% of nights spent by non-residents in EU(27). (Eurostat database, UNWTO, 2012) Growth rates of most indicators are slowing down in the last several years indicating that the tourism growth and its contribution to national and regional economy could not be sustained within the existing trend of development, that is featured by serious interrelated structural weaknesses and obstacles.

Basic weaknesses of Bulgarian tourism development

First of all, there is a **discrepancy** between the diverse tourism potential and the one-sided development of tourism. The product mix is dominated by mass tourism and package tours mainly for summer seaside (52.4%) and winter skiing tourism (16.2%) resulting in low value added for the Bulgarian tourism industry, missed market opportunities as well as strong environmental pressure on traditional resorts which carrying capacity is either exhausted or in most cases overexploited. While the development of specialized tourism products (cultural, rural, eco, spa, conference, etc.) is perceived as the main option for expansion of Bulgarian tourism their current presence in the product mix is insignificant. (State Tourism Agency, 2009)

In addition, Bulgarian tourism is dependent on **limited number of markets**. According to the database of the National Statistical Institute the share of the three leading foreign markets in terms of nights spent (namely Germany, UK, and Russia) is decreasing in the last years from more than 70% at the end of 1990s to 47.7% in 2008 and 44.7% in 2012, but still remains higher than for most of the competing destinations. Moreover, these biggest markets are not the most attractive from the viewpoint of tourism policy objectives like reducing seasonality, enhancing geographical redistribution or increasing the average revenues from a tourist or overnight. On the other hand, tourism industry is heavily depending on international markets (68% of the overnights) that make the access to the market for individual companies more difficult, especially if they are small.

Seasonality of tourism in Bulgaria is the highest within EU (27) with significant implications not only for the occupancy rates and revenues of tourism industry but also for the employment and the skills of the employees, causing the inability to attract and keep skilled staff. More than 45% of nights are spent in only two months (July-August) and 72% - in the period between June and September. In June 2012 rooms occupancy rate reached 89.4%, which places Bulgaria on the first place among the EU (27) member states. (Eurostat database) Seasonality is stronger in international tourism.

The **occupancy rate** of bed places is low and do not tend to significantly increase (35,4% in 2005; 33,3% in 2006; 30,1% in 2008; 24,9% in 2009, 38.8% in 2012) as are the average length of stay of international tourists (2,4 days), the average revenue from one international visitor (€329) and the average daily spending (€170). Obviously, the growth of these indicators is significantly slower than the respective growth of the number of international tourists and nights spent, indicating the ineffectiveness of the recent development. The revenue from international tourist is slightly above 60% of the European average and lower than in most European countries. Particularly low although slightly increasing are the revenues from accommodation (both from foreign and domestic tourists) – respectively €1085 per bed and €16 per night spent in 2005, €1142 per bed and €17 per night spent in 2009, and €1420 per bed and €21 per night spent in 2012. (National Statistical Institute database) Having in mind the very strong positive correlation between the occupancy rate and the total revenues from bed-nights, one can conclude that the intensive exploitation of the accommodation facilities in all seasons is needed, combined with the enhancement of the management efficiency.

Regional dimensions of Bulgarian tourism (2008 – 2012)

All above mentioned weaknesses of tourism development are manifested in and to a great degree are caused by its **extreme territorial concentration**, that does not correspond to the wide spread tourism development potential. In 2012 the North-East and South-East regions, with developed seaside tourism concentrate 46.2% of the accommodation establishments, 71% of the bed-capacity and of the nights spent, 85% of the nights spent by foreigners and 67.5% of the revenues from accommodation. (National Statistical Institute database) The South-East and North-East regions are leading in terms of occupancy rates of bed places in accommodation establishments (respectively 52.1% and 47.9%), while the rest of the regions report values of this indicator between 19.5% and 26.8%. (Eurostat database)

The territorial concentration is strongly expressed on lower (district and municipal) level and in the international compared to the domestic tourism. According to the database of the National Statistical Institute the first five most developed districts (namely the Black Sea districts of Varna, Burgas and Dobrich as well as Sofia – the capital city and Plovdiv) concentrate 74.9% of the beds and 78.9% of the nights spent (91.8% of the nights spent by foreigners) as well as 81.7% of the revenues from accommodation. Moreover, only the first five municipalities, namely the Black Sea municipalities of Varna, Nessebar, Balchik, and Sozopol, as well as the capital Sofia, concentrate 63% of the beds, 71% of the nights spent (87% of the nights spent by foreigners) and 79% of the revenues from accommodation.

Figure 5 **Accommodation establishments in Bulgaria (number)**

Year	NW	NC	NE	SE	SW	SC
2012	192	244	528	745	525	524
2011	189	371	618	1368	435	795
2010	171	342	647	1176	453	751
2009	177	242	687	1275	446	706
2008	158	194	782	1014	437	632
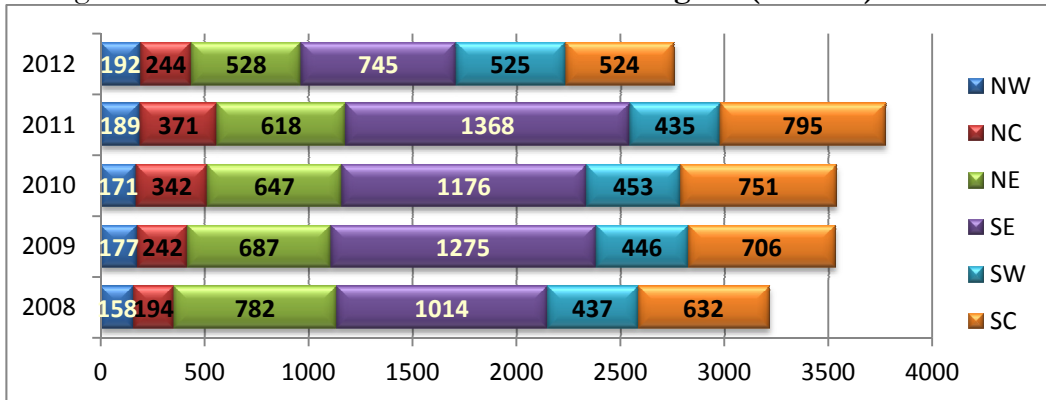
Figure 6 **Bed places in accommodation establishments in Bulgaria** (thousands)

Year	NW	NC	NE	SE	SW	SC
2012	8,8	11,9	89,1	124,4	40,4	26,5
2011	8,5	11,5	82,7	112,6	38,2	29,8
2010	8,2	12,5	83,1	109,0	40,7	30,1
2009	9,2	11,9	83,6	114,3	38,9	29,6
2008	7,5	9,6	87,6	104,7	40,1	26,9
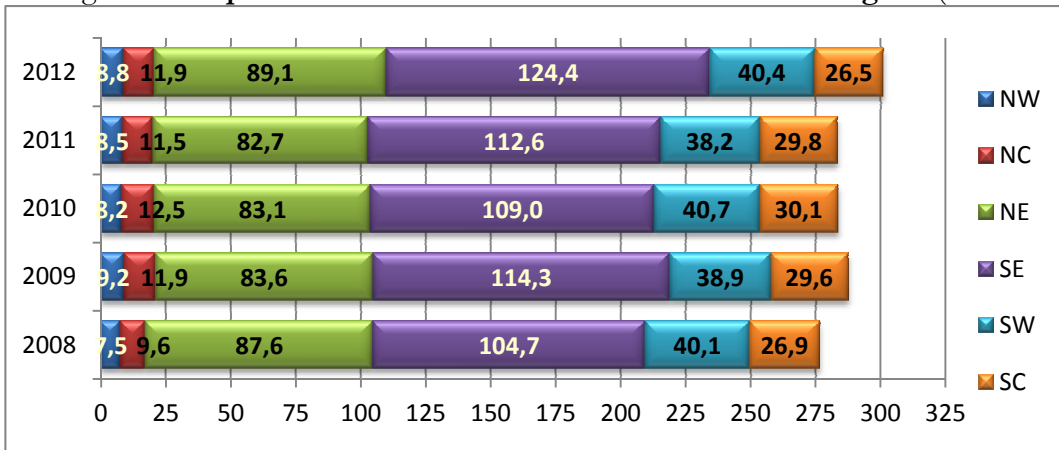
Figure 7 **Nights spent in accommodation establishments (thousands)**

Year	NW	NC	NE	SE	SW	SC
2012	483,9	671,3	6.618,8	7.784,1	2.865,8	1.828,2
2011	441,8	626,6	6.271,6	7.448,2	2.429,7	1.637,4
2010	367,0	492,1	5.133,8	6.414,9	2.376,1	1.476,7
2009	411,0	542,7	4.876,6	5.710,4	2.332,0	1.499,7
2008	436,5	612,0	6.068,1	6.625,4	2.808,3	1.745,1
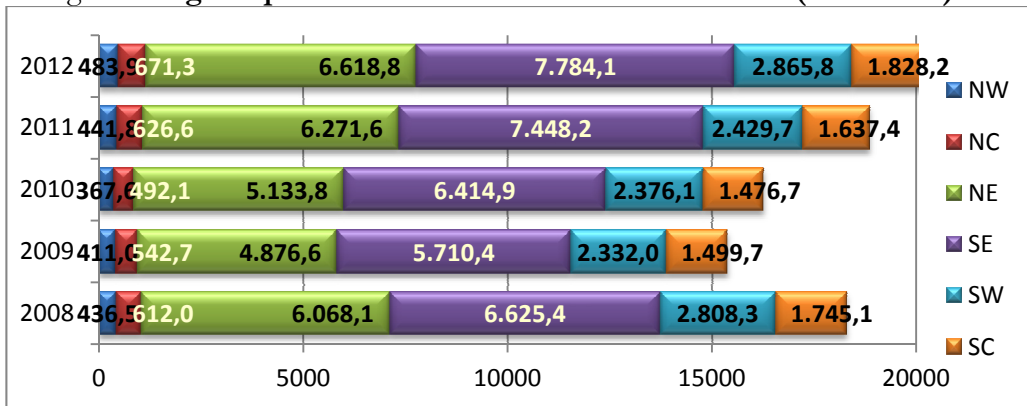
Figure 8 **Revenues from nights spent (mio EURO)**
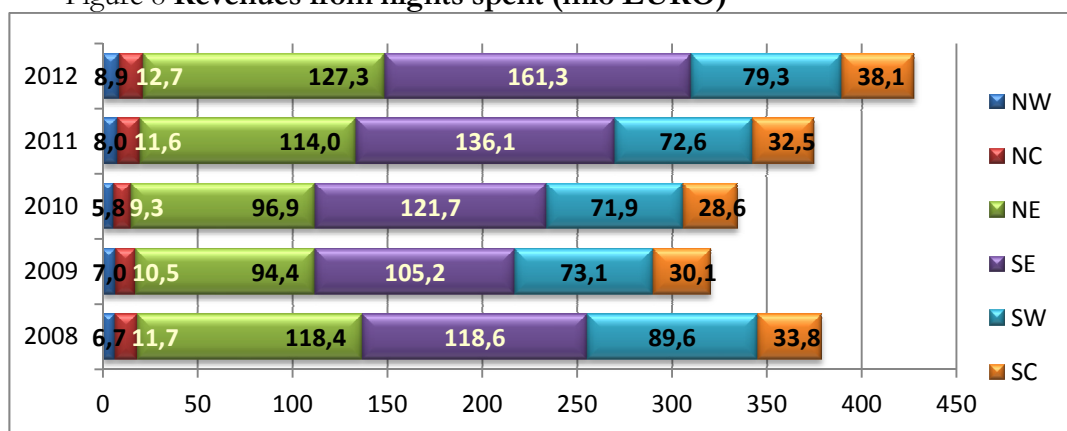
Source: National Statistical Institute of the Republic of Bulgaria

Legend: NW – North-West Region; NC – North Central Region; NE – North-East Region;

SE – South-East Region; SW – South-West Region; SC – South Central Region;

Tourism in Bulgaria is dominated by seaside resorts in coastal municipalities, limited number of internationally recognized ski and spa resorts, and the biggest cities (the capital city Sofia and Plovdiv) with developed business and cultural tourism. They concentrate roughly 90% of tourism development. Only the 9 national resorts (namely the seven Black Sea resorts and two mountain ski resorts) are accounting for almost 60% of the total nights spent and revenues and 71% of nights spent by foreigners. Moreover, more than 70% of the beds and nights spent as well as 86% of international tourism fall on the municipalities on the Black Sea coast and only the first 3 of municipalities concentrate more than 55% of tourism development. The remaining part of the country has insignificant share in tourism development and the figures of the most performance indicators are much lower than in the already developed areas.

While investments in tourism are increasing significantly, especially in the period of economic growth (2006-2008), the new development is concentrated mainly in already developed resorts, areas and cities. The remaining parts of the country are developing tourism slowly and in some cases decline is recorded. As a result Bulgarian tourism remains highly concentrated in space leading to significant environmental and social pressure in already developed areas, including the "overbuilding" and growing demand for infrastructure (e.g. water supply, sewage, water treatment, electricity). At the same time the majority of Bulgarian regions have not managed to create quality regional tourist products. Basically, this situation has two main consequences: firstly, the opportunities for further growth in the traditional resorts and tourist areas (sea cost and ski resorts) have reached their limits and the growth trend from the last decade could not be sustained if the existing approach to development is followed and secondly, the significant potential of a great part of the country's territory remains unused and its business and population is not able to enjoy the benefits of tourism.

Conclusion

In 1990s, during the transition period, Bulgarian economy has been deindustrialized. Compared with other sectors as heavy and light industry, mining and agriculture, the services have been the main engine of the economy during the last 15 years. Factor of great importance is tourism, which has a substantial contribution to the main economic indicators and is considered as essential development generator. In this sense, tourism is a stimulus for a number of areas in Bulgaria to achieve an economic revival, especially the regions, where heavy industries have been withdrawn, thus providing them with opportunities to reveal new development potential.

Tourism sector expansion has a positive influence on the development of related industrial and service sectors, employment and the general economic situation in the regions. At the same time tourism in Bulgaria is facing serious structural weaknesses, like one-sided product mix, dependence on limited number of markets, high seasonality, low performance indicators and an extreme territorial concentration limiting the wider spread of its benefits, while significant part of tourism potential remains unexploited. In spite of the fact that Bulgaria possesses the required development potential, the growth of tourist industry and its contribution to national and regional economy could not be sustained with the existing approach, which generates significant environmental, social and economic pressure. Serious interventions are needed in order to ensure sustainable tourism development, to diversify products and markets, to improve tourism performance indicators and to encourage its wider geographical spread.

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VISITOR PERCEPTIONS OF THE ROLE OF TOUR GUIDES IN NATURAL RESOURCE MANAGEMENT AND SUSTAINABLE TOURISM

Asst. Prof. (Phd) Ozlem Koroglu[1]
Balikesir University, Faculty of Tourism, Balikesir/TURKEY

Dr. (Phd) F. Ozlem Guzel
Mugla Sitki Kocman University, Mugla/TURKEY

Abstract

Undoubtedly, development of sustainable tourism activities is closely related to the protection of natural resources. Protection of natural resources is an important issue that should be taken seriously by the communities. Natural resource management includes sharing all the necessary responsibility for the purpose of protecting natural resources, ensuring the sustainability and leaving it to the next generation. This paper aims to explore the visitor perceptions of tour guides to contribute to the protection of natural resources by educating their customers through interpretation and modeling environmentally appropriate behaviors. Also it examines the potential role that tour guides can play in natural resource management and sustainable tourism. The survey has been conducted in Turkey. The questionnaire and role attributes have been developed based on a review of the literature, particularly the work of Cohen (1985), Weiler and Davis (1993) and Randall and Rollins (2009). Data have been collected using two approaches. (1) The pre-trip questionnaire has been asked guided visitors to rate the importance of various attributes of the role of their guide. (2) The post-trip questionnaire has been asked guided visitors to rate the performance of these same attributes. The findings have been discussed within the natural resource management and sustainable tourism approches and important assessments and recommentations have been made about the direction and quality of the policy and planning towards the tour guiding in natural resource management.

Key Words: Visitor perceptions, tour guides, tour guides' roles, natural resource management, sustainable tourism, importance-performance analysis.

1. Introduction

Tourism has grown unabated especially during the last couple of decades and become one of the largest industries in the world. Given the large potential and variety of tourism products, Turkey is keen on attracting increased number of international tourists. As in Turkey tourism is a world phenomenon that has an increasingly important socioeconomic and cultural impact, so the heritage, nature and culture, has to be protected. The notion of impact must be combined with a belief about the importance of certain values like natural resources. There are "red signals" that reflect the concern about

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[1] Corresponding author: Tel: +902666121340, Fax:+902666121357, E-mail:ozlemkoroglu_98@yahoo.com

controlling mass tourism flows to decrease the polluting factors as well as other side effects acting on natural resources for generations to come (Eraqi, 2007: 39). Regarding this situation Papatya et. al (2011), stated that green/capitalist system creates ecological crisis and sustainale paradoxes, with these crisis and paradoxes, tourism activities endanger its future together and unfortunately the nature is transformed into an object of consumption. So, all the tourism activities should be tested in terms of source based tourism and sustainable tourism. Güzel (2012), states while sustainable tourism creates opputunities for new generation, with in the concept of source based tourism, all touristic activities are maintained in the nature based/orijin enviroment and the reasons of tourists' participating to the activities become to experience the natural and cultural enviroment. Papatya et. al (2011) also underline that resource-based tourism, is related with sustainable tourism, but different from the traditional tourism. This difference comes from the differentiation of the main purpose of experience. While the purpose of nature based tourism is to contribute to the emotion of learning about the natural and cultural environment, the purpose of traditional tourism is to increase profits (Papatya et. al, 2011: 223). On the centre of the learning purpose of nature based tourism, one opportunity to reduce negative impacts of tourism such as pressure on natural resources, pollution and waste generation and damage to ecosystems (Neto, 2002: 6) is through the use of tour guides, who have the potential to contribute to the protection of natural areas and resources in which they operate by educating their customer through interpretation and modeling environmentally appropriate behaviors (Randall and Rollins, 2009: 357). Different organizations may have different definitions of a tour guide. According to the World Federation Tourist Guide Associations a tour guide is "a person who guides visitors in the language of their choice and interprets the cultural and natural heritage of an area in which the person normally possesses an area-specific qualification, usually issued and/or recognized by the appropriate authority" (WFTGA, 2003). International Association of Tour Managers and the European Federation of Tourist Guide Associations (EFTGA) defines that a tour guide is a person who "Guide groups or individual visitors from abroad or from the home country around the monuments, sites and museums of a city or region; to interpret in an inspiring and entertaining manner, in the language of the visitor's choice, the cultural and natural heritage and environment" (Ap and Wong, 2001: 551). Federation of Turkish Tourist Guide Associations defines a professional tour guide is the person who will introduce the country in the best way to the local and foreign tourists, will help them during their tour, will give them the right information and who has the authority document which was given by the Culture and the Tourism Ministry (TUREB, 2006: 246). Although various definitions of a tour guide exist, key areas of a tour guide's job description include environmental interpretation in an inspiring and entertaining manner, operation in a clearly defined cultural/geographical area, and specialized linguistic knowledge (Ap and Wong, 2001: 551; Huang and et. al., 2010: 4).

Due to the fact that they act as intermediaries between tourists and an unfamiliar environment, tour guides play an important role in the success or failure of a tour experience. Their performance even influences a tourist's perception of the host destination (Min, 2010: 3731). Also their performance potentially influences tourist satisfaction and loyalty, the company's image, and the overall travel experience and it is a

primary attribute of a successful tour. Conversely, an unsatisfactory tour guide may ruin the tourists' enjoyment of their holiday experience and may even damage the image of a tourist destination (Min, 2012: 158). Although tour guide performance is one of the major concerns of provinciallevel tourism administrations, research in tour guides has received little attention from the tourism academic community (Scherle and Nonnenmann, 2008: 121). In 1985, *Annals of Tourism Research* attempted to devote a special issue to the role of tour guides. However, this special issue did not prove itself to be a complete success. Only three articles discussed the designated topic in the issue. The editor-in-chief of the journal Jafari (1985) commented, "This Special Issue on the *Tourism Guides* faced an added problem: many promises for contributions did not materialize. This perhaps had to do with the theme itself, a subject which has received little attention in tourism research" (p. 1). Up until the present time, the situation has not changed much. Following the special issue, studies on tour guides have mainly focused on tour guides' roles (Huang and et. al., 2010: 4). A guide's role, it is generally agreed in these studies, extends well beyond welcoming and informing tourists. The guide is entrusted with the public relations mission of summarizing the essence of a place and serving as a window onto a site, region, or country (Gelbman and Maoz, 2012: 117). On the other hand, various roles and responsibilities of guides are also identified and recognized by researchers, such as that of pathfinder, mediator, buffer, leader, information giver, cultural broker, motivator, counselor-guide, educator, entertainer and environment protector (Min, 2012: 158). Tour guides are extremely "useful" in many senses. From the tourists' perspective, they are the "pathfinders," "animators," "tour leaders," and "mentors". As employees of tour operators, they are the "spokespersons" representing the image and reputation of the company, and the "salespersons" who sell the next tour. From the host destination's viewpoint, they are the "interpreters" making sense of the destination's culture and heritage, the "mediators" mediating between the host community and its visitors, and the "ambassadors" entrusted with the public relations missions of the destination. Nonetheless, in spite of their "attractiveness" and "usefulness," tour guides are the "orphans" of the tourism industry in that their roles, value, and welfare are often neglected (Mak and et.al., 2011: 1442). In addition to these roles, more recent studies indicate that the guide has more specialist roles to play in ecotourism and nature-based tourism, such as interpreting sites and motivating visitors to modify their behaviour to minimise impacts on the resource base (Weiler and Davis, 1993; Black and et.al., 2001; Black and Weiler, 2005; U Lo and Hallo, 2011; Min, 2012).

Few systematic studies have been conducted on tour guiding in Turkey. But none of the study which have been conducted on the role of tour guides in natural areas and natural resource management. So in this paper is aimed to explore the visitor perceptions of tour guides to contribute to the protection of natural resources by educating their customers through interpretation and modeling environmentally appropriate behaviors. Also it examines the potential role that tour guides can play in natural resource management and sustainable tourism.

2. The Role of Tour Guides in Natural Resource Management

The environment is the main base for the natural resources for attracting tourists worldwide. Therefore, the conservation of natural resources is very necessary for the long-term success of tourism development and sustainable tourism (Eraqi, 2007: 39). There is now increasing agreement on the need to promote sustainable tourism development to minimize its environmental impacts and to ensure more sustainable management of natural resources (Neto, 2002: 10). Sustainability in tourism literature can be considered within political, social, economic, ecological, and cultural contexts with sustainability of natural resources being the predominant view. For example, sustainable tourism is defined as sustainable economic development providing employment and income to local communities while allowing for the continued existence of the natural resource base (Kline, 2001: 2). It is necassary to apply some policy regarding sustainable tourism such as the promotion of national strategies for sustainable tourism development, including the decentralization of environmental management to regional and local levels, the use of both regulatory mechanisms and economic instruments, the support for voluntary initiatives by the industry itself, and the promotion of sustainable tourism at the international level (Neto, 2002: 10). On the other hand it is important to consider the potential impact of the tour guide on sustanaible tourism and natural resource management. It is generally recognized that tour guides can play an important and influential role in information delivery, interpretation and as conduits for natural resource management agencies (Randall and Rollins, 2009: 358).

Cohen (1985), first conceptualized the role of the guide in four distinct sub roles of guiding. The orientation of the "outer-directed" role of the tourist guide is toward organization and management (instrumental roles) and the facilitation of encounters with the host populations (interactionary roles). The "inner-directed" role of the tourist guide is focused on leadership in the form of social interaction (social role) and information dissemination (communicative role). Weiler and Davis (1993), when examining the role of guides in nature-based tourism noted that Cohen's work did not incorporate the needs of the natural environment, so the guide must have a third focus, the natural environment, or what they term "resource management" (Randall and Rollins, 2009: 359). The resource management role of tour guides that encourages participants or tourists to reduce their impacts on natural sites (Howard and et al., 2001: 36). Weiler and Davis (1993) suggested the resource management role of tour guides facilitate a change in values towards long-term conservation. According to Weiler and Davis (1991) this resource management focus contains two roles: "motivator" (the modification of tourist behavior and impacts on-site) and "environmental interpreter" (the understanding and appreciation of environmental issues to facilitate responsible tourist behaviors in the long term).

As Weiler and Davis (1993), some authors indicated the interpretation role of tour guides in the natural resource management. For example, Moscardo (1998) stated that tour guides' interpretation role contributes to the sustainable wildlife tourism. The interpretation role contributes to managing the interactions between wildlife and tourists, behaving in way that minimises visitor impact on environment, explaining management strategies and supporting safety messages. Haig and McIntyre (2002) stated that a guide can also provide a window of opportunity to stimulate positive attitudes and behaviour to

the environment. Becouse face to face interpretation which is considered to be knowledgeable as well as credible may be more effective than other sources in providing knowledge, behaviour models and possible attitudinal change.

Reisinger and Steiner (2006) indicated that interpretation role of the tour guides can raise visitors' knowledge and awareness of wildlife and encourage pro-conservation attitudes towards natural resources. Tilden (1957) states that interpretation is a type of education that focuses on: "meanings and relationships through the use of original objects, by firsthand experience, and by illustrative media". Interpretation and education programmes can assist in achieving parkmanagement objectives by reducing the need for regulation and enforcement, and by increasing visitor awareness of appropriate behaviors to minimize environmental impacts on fragile natural resources (Randall and Rollins, 2009: 359).

U Lo and Hallo (2011: 145), indicate that tour guides should be transformative in order to more effectively change and manage tourists' behavior and attitudes toward the natural resources. Transformative tour guiding helps tourists to have a new mindset toward natural resources and to be more willing to take responsibility for their own behavior toward the natural resources. Those tourists who seek the services of a tour guide to interpret the site for them do so partially because they want to hand over responsibility to the guide that their behavior and actions at the site can be guided and monitored by an expert. Thus, tour guides should be responsible for teaching tourists how to behave properly through their high-quality interpretation. Given that insufficient information is provided at the natural site, tourists are likely to turn to tour guides for more information. Thus, tour guides become important for educating tourists about the significance of the natural sites and natural resources (U Lo and Hallo, 2011: 141). The tour guide is in a potentially influential position to modify and correct visitor behavior to ensure that it is environmentally responsible and contributes to environmentally sensitive attitudes. This is more likely to occur when the motivator of responsible behavior and environmental interpreter roles are delivered. Therefore, the role of the tour guide in these areas is critically important (Randall and Rollins, 2009: 359). Holloway (1981) stated that the interaction between these roles could be seen as one of the essential elements in the total touristic satisfaction and experience. Building on these observations, this study investigates the following hypotheses;

H1: In the context of the resource management the motivator of responsible behaviours of the tour guides affect the perceptions of the environmental interpreter of tourists.

H2: The perceptions of the environmental interpreter of tourists affect the evaluation of the tour guide performance.

H3: The perceptions of the tour guide performance affect the tour experience in a positive way.

3. Material and Methods

This paper aims to explore the visitor perceptions of tour guides to contribute to the protection of natural resources by educating their customers through interpretation and modeling environmentally appropriate behaviors. Also it examines the potential role that tour guides can play in natural resource management and sustainable tourism. The survey

was conducted in Sarıgerme[2] Destinastion in Turkey. The questionnaire was conducted on the tourist getting active and thrilling with the excursions related with the nature like the jeep safari and trekking. The questionnaire was administered in the months of May and July in 2013 which are the most intense months for the nature based tours in Turkey. The questionnaire was composed of the following three parts: socio-demographic items; including gender, age, educational level, occupation, nationality, first time visiting to Turkey and number of times visited. The second part including the role attributes of the tour guides about natural resource management. The role attributes have been developed based on a review of the literature, particularly the work of Cohen (1985), Weiler and Davis (1993) and Randall and Rollins (2009). The natural resource management contains two roles: "motivator" and "environmental interpreter". Two attributes were developed to capture each of the two roles of tour guiding identified by Randall and Rollins (2009), resulting in 4 items or attributes. Data from the role attributes have been collected using two approaches. (1) The pre-trip questionnaire has been asked guided visitors to rate the importance of various attributes of the role of their guide; using a five-point Likert scale ranging from "not at all important" (1) to "extremely important" (5). The post-trip questionnaire has been asked guided visitors to rate the performance of these same attributes, using a five-point Likert scale ranging from "strongly disagree" (1) to "strongly agree" (5). The third part including the participants' satisfaction and experience of the tour guide and tour. 4 items used to measure the participants' satisfaction and experience (1) Tour guide performance was really high, (2) I am satisfied with the guiding service, (3) I enjoyed the tour and (4) I am satisfied with the tour experience. According to the data taken from the Muğla provincial culture and tourism offices 3.132.475 tourist had entered to Muğla provience in 2012 from different gateways. From this number 1.521.471 tourists had entered to the country from Dalaman airport and transferred through Marmaris, Fethiye, Dalyan and Sarıgerme. From these destinations, Sarıgerme was chosen as the search area, because it has not strayed far from its roots, instead focusing on tradition, culture, and avoiding the downfalls of over commercialisation (http://www.mydestination.com, 17.07.2013). Data were collected from the tourists who experienced the trekking and jeep safari tour in two months (May and July). A total of 284 questionnaries were collected, and data was statistically analysed by using the SPSS stataistic programme and Lisrel 8.50.

4. Results

Socio-demographic characteristics of respondents could be seen from the Table 1. The majority of the sample was female (52,1 %). In terms of ages, 18,0 % of the respondents were 18 years and under, 44 % were between 19-30, 27,1 % were between 30 and 50, 10,6 % were 50 years and over. The majority of the respondents were at the secondary graduation level (46,9 %) and at the junior university degree (26,1 %). The majority of the respondents nationality consists of British (34,5 %). While 29,6 % was from the other nationalies, German (16,9 %), Skandinavian (12,7 %) and Belgium (4,2 %) were the other known nationalities. The majority of the respondents (74,5 %) were coming

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[2] Sarigerme is a touristic destination connected to Dalaman in Eagean region in Turkey. People, who wish to experience cultured Turkey away from the manmade touristic resorts, will find Sarigerme to be an attractive destination (http://www.mydestination.com, 17.07.2013).

to Turkey for the first time. The people who came for the two times (22,5 %), three times (11,3 %), and four times (7 %) follow the people who came for the first time. Very little respondents (4,2 %) came five times and over. The majority level of the incomes' of respondents was middle income (48,2 %), and the high (19 %) level followed the middle income. The majority level the occupation of the respondents consisted of white collar (22,5 %) and blue collar (16,5 %). House wife (12,7 %), the other occupations (12,7 %), employer (7 %), and business owner (7 %) followed the majority.

From the Table 2, importance-performance mean values, standard deviation and the consistency of the measurement scales reability could be seen. While the mean of importance of the *motivator of responsible behavior* is 4,31 and the standard deviation is 0,75, the mean for the performance of the *motivator of responsible behavior* is 4,30 and the standard deviation is 0,79. The mean of importance of the *environmental interpreter* is 4,39 and the standard deviation is 0,73, the mean for the performance of the *environmental interpreter* is 4,42 and the standard deviation is 0,89. From the performance mean values it could be said that the perceptions of the resource management performances respond the resource management importance values. In order to test the consistency of the measurement scales reability estimates were used.

Table 1. Socio-demographic characteristics of respondents

	n	*%*		*n*	*%*
Gender			*Educational Level*		
Male	133	46,8	Primary (Elemantary Sch.)	14	4,9
Female	148	52,1	Secondary (High Sch.)	128	45,1
Missing System	3	1,1	Junior university degree	74	26,1
Total	284	100	Bachelor's degree	34	12,0
Age			Missing System	34	12,0
18 years and under	51	18,0	Total	284	100
19-30 years	125	44,0	*Nationality*		
30-50 years	77	27,1	British	101	34,5
50 years and more	30	10,6	German	48	16,9
Missing System	1	,4	Belgium	12	4,2
Total	284	100	Skandinavian	36	12,7
Income			Other	84	29,6
Very Low	23	8,1	Missing System	3	1,1
Low	16	5,6	Total	284	100
Middle	137	48,2	*Occupation*		
High	54	19,0	White-collar	64	22,5
Very high	6	2,1	Blue-collar	47	16,5
Missing system	48	16,9	Student	8	2,8
Total	284	100	Employer	20	7,0
Number of times visited			Retired	18	6,3
1 time	135	74,5	Business owner	20	7,0
2 times	64	22,5	Housewife	36	12,7

3 times	32	11,3	Other		35	12,3
4 times	20	7,0	Missing System		36	12,7
5 and more	12	4,2	Total		284	100
Missing System	21	7,4				
Total	284	100				

From Table 2, Cronbach Alpha is 0,81 for importance of *motivator of responsible behavior*, 0,79 for performance *motivator of responsible behavior*, 0,89 for importance of *environmental interpreter* and 0,89 for performance of *environmental interpreter*. As all alpha scores being above the recommended point (0,70) indicates that the scale is reliable (Büyüköztürk, 2011; Kalaycı, 2008).

Table 2. Importance-performance mean values, standard deviation, scales reability and CFA scores

Role Attributes	Mean* (n:284)	SD	α	Mean** (n:284.)	SD	α	t-value***	SL	R2
ResourceManagement: Motivator of Responsible Behavior	4,31	,75	,81	4,30	,70	,79	-	-	-
MRB1: Discussed the rules and ethics to protect the area with the group	4,35	,82	-	4,37	,82	-	16,03	0,83	0,70
MRB2: Highlights the importance of not removing any garbage/ relics	4,28	,82	-	4,22	,96	-	14,59	0,77	0,75
Resource Management: Environmental Interpreter	4,39	,73	,89	4,42	,70	,89	-	-	-
EI1: Helps you to develop awareness and appreciation of the natural area	4,37	,77	-	4,42	,74	-	17,75	0,87	0,75
EI2: Increases your knowledge and understanding of the natural environment	4,40	,76	-	4,42	,73	-	19,09	0,91	0,83

*Importance response categories ranged from 1 "not at all important" to 5 "extremely important".

**Performance response categories ranged from 1 "strongly disagree" to 5 "strongly agree".

*** t-values, standartized load values and R2 values are related with the performance scores.

Confirmatory factor analysis (CFA) was used to assess the validity of the model as it is seen from the Table 2. The CFA demonstrated that the two factor model had a good fit to the data according to the Table 3 (χ2/df: 3, GFI: 0.96, NNFI: 0.98, CFI: 0.99, SRMR: 0.022 and RMSEA: 0.084). With this good fit scores, results indicate that the tourist guides'

resource management role is represented in terms of two dimensions. The overall measurement model has been tested using all observed cases and the model has been represented that all two factor is revealed with two variables. From the correlation matrix of independent variables scores ($p < .01$) being between 0.81 and 0.63 show that there is a positive relationship between the variables (Büyüköztürk, 2011).

Table 3. Fit values

Fit values	Good fit	Acceptable Fit
p value	$.05 \leq p \leq 1.00$	$.01 \leq p \leq .05$
$\chi2/df$	$0 \leq \chi2/df \leq 2$	$2 < \chi2/df \leq 3$
RMSEA	$0 \leq$ RMSEA $\leq .05$	$.05 \leq$ RMSEA $\leq .08$
p value for test of close fit (RMSEA < .05)	$.01 \leq p \leq 1.00$	$.05 \leq p \leq .10$
SRMR	$0 \leq$ SRMR $\leq .05$	$.05 \leq$ SRMR $\leq .10$
NFI	$.95 \leq$ NFI ≤ 1.00	$.90 \leq$ NFI $< .95$
NNFI	$.97 \leq$ NNFI ≤ 1.00	$.95 \leq$ NNFI $< .97$
CFI	$.97 \leq$ CFI ≤ 1.00	$.95 \leq$ CFI $< .97$
GFI	$.95 \leq$ GFI ≤ 1.00	$.90 \leq$ GFI $< .95$
AGFI	$.90 \leq$ AGFI ≤ 1.00	$.85 \leq$ AGFI $< .90$

Schermelleh-Engel and et.al. (2003).

Note: *AGFI = Adjusted Goodness-of-Fit-Index, CFI = Comparative Fit Index, GFI = Goodness-of-Fit Index, NFI = Normed Fit Index, NNFI = Nonnormed Fit Index, RMSEA = Root Mean Square Error of Approximation, SRMR = Standardized Root Mean Square Residual.*

Correlations scores for MRB1 and MRB2 is 0,63 in *motivator of responsible behavior* dimension and for EI1 and EI2 0,81 in *environmental interpreter* dimension. With the consistency of the measurement scales reability estimates all the measurement scales show adequate internal consistency. t-values of the variables of the two dimensions are above the scores of 1.96 that means that these two dimensions are explained with two variables. If the rates proportions of the two dimension models are set out, MRB1(0,83) is the highest in motivator of responsible behavior dimension. EI2 (0,91) is the highest in environmental interpreter dimension.

Table 3. Results of The Hypothesized Model

Hpt	Paths	*t*-value	SL	Hpt
H_1	*Motivator of Responsible Behavior- Environmental Interpreter*	14,91	0,92	*Accepted*
H_2	*Environmental Interpreter-Tour Guide Performance*	11,37	0,65	*Accepted*
H_3	*Tour Guide Performance-Tour Experience*	20,55	0,89	*Accepted*
Structural Equations			**R²**	
Tour guide performance = 0.65*resource management role of guides + 0.57*x 0,43				
Tour experience = 0.89*guide performance + 0.21*x		0,79		

The structural equation modeling was used to assess the relative impact of these two dimensions on the tour guide performance and the tour experience, after the overall measurement model was found acceptable. The results from LISREL showed that the model had a good fit to the data (χ2/df: 2,5, GFI: 0.96, NNFI: 0.98, CFI: 0.99, SRMR: 0.026, RMSEA:0.076). In table the three paths and corresponding coefficients of the model are shown. While there is a meaningful relationship between motivator of responsible behavior and environmental ınterpreter external latent variables and tour guide performance-tour experience internal latent variable statistically. From the correlation of indicators motivator of responsible behavior (t= 14,91> *1.96,* p< ,005) dimension is a significant construct that alert the perception of the environmental ınterpreter. Environmental interpreter (t= 11,37> *1.96,* p< ,005) is a significant construct that raise the perceptions of the tour guide performance. The results also indicated that tour guide performance (t=20,55> *1.96,* p< ,005) affects the perceptions of the tour experience as hypothesized. Thus, H_1, H_2, and H_3 were supported. From the squared multiple correlation scores, 43 % of total variation in tour guide performance was explained by the resource management role of guides. So there are other variables that affect the guide performance. It has been represented that the structural relations in the final model explained 79 % of the total variation in tour experience. So, tour guide performance is a significant indicators on the perceptions of the tour experience with %79.

Discussions

This study which have been conducted on the role of tour guides in natural areas and natural resource management shows that tour guides could effectively change the tourists' behavior and attitudes toward the natural resources. From the the structural equation modeling it was analyzed that in the context of the resource management the motivator of responsible behaviours of the tour guides affect the perceptions of the environmental interpreter of tourists. And as the path is going on, the perceptions of the environmental interpreter of tourists affect the evaluation of the tour guide performance. And finally, it was seen that the perceptions of the tour guide performance affect the tour experience in a positive way. So, as being a motivator responsible behavior while discussing/highlighting the rules and the ethics to protect the area, tour guides could be an environmental interpreter. This important role could help tourists to develop their awareness/appreciation of the natural area and increase their knowledge and understanding of the natural environment. The potential role that tour guides can play in

natural resource management and sustainable tourism, is not just important for the destinastions being protected but also for their living area after the holiday.

As U Lo and Hallo (2011), identify the tourist guide as being an educator tourists about the significance of the natural sites and natural resources, tour guides should be transformative on their tour and create new mindset toward natural resources for having a better world to live in. So, the resource management role of tour guides facilitate long-term changes in values towards natre and has a potentially influential position to direct the visitor behavior and awareness. So, tourist guides should comprehend their environmentally responsiblity and behave in this way in all their tours. And from the result, tour guides performances potentially influence tourist satisfaction with the tour experience. So near the informaton delivery role and interpratation role, the natural source management role would be harmonized by tour guides, as well. Hockings (1994), offers to the travel agencies to consider more stringent licensing requirements. By this offerings guides would be a natural mediatory and not just service for the tourists but also for the World. Cause as the results of this study, motivator of resposible behavior role of guides has been identified a significant dimensions for the tour guides performance and tour experince. For the creating mindset toward natural resources, sustainable tourism and nature based tourism would be an exit ways.

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OPPORTUNITIES FOR IMPROVEMENT OF THE PRICING POLICY OF TRAVEL AGENCIES IN CULTURAL TOURISM

Chief Assistant Professor Dr. Vyara Kyurova
Southwest University"Neofit Rilski"
Blagoevgrad, Bulgaria
Mobile phone: + 359 899 806 445
E-mail: verivasileva@abv.bg[1]

Abstract

In recent years, tourist businesses in Bulgaria have shown a growing interest in cultural tourism. At this stage, this type of tourism is developing in a highly dynamic competitive environment. There is increasing competition between the established and the many new cultural tourist destinations, as well as globalization of tourism. Under these conditions, maintaining their positions in the tourism market has become very important for tourist enterprises. A major means for obtaining competitive advantages is the design and implementation of a pricing policy which is adequate to the market conditions and consumer demand. In this context, the purpose of the study is to explore and identify opportunities for improvement of the pricing policy of travel agencies offering products of cultural tourism. The analyses and conclusions on this issue are based on data from a survey of 23 travel agencies.

Key words: pricing policy, cultural tourism, travel agency

JEL Classification code: L830, M31 and R32

Introduction

Cultural tourism satisfies specific type of tourist needs related with culture and art. It is one of the most popular and dynamic types of tourism. The cultural tourism is defined as one of the most perspective sectors in the field of tourism (Filipova (2008). Its development marks significant progress in the world. M.D. Sushtinskaya points out that while in the 80s of XX century cultural tourism was a small niche in the tourism market, it is currently the major sphere of tourism activity, whose annual growth amounts to 15% (Sushtinskaya (2010). According to the World Tourism Organization the market segment of cultural tourism is characterized by large growing potential (UNWTO (1997).

According to the data from a survey in 2011 conducted by the Directorate General for Enterprise and Industry of the European Commission – Flash Euro barometer 334 on the attitudes of Europeans towards tourism (performed in the 27 member states of the

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[1] "Neofit Rilski" Southwest University, Blagoevgrad, Faculty of Economics, 2, Krali Marko Street, Blagoevgrad 2700, Bulgaria

European Union and Croatia, Turkey, Macedonia, Norway, Iceland, Serbia and Israel), 14% of respondents have taken trips for cultural and religious reasons. In previous stages of the survey respondents indicated cultural heritage as a major factor in the choice of destinations (27%) (Survey of the Directorate General for Enterprise and Industry of the European Commission – Flash Euro barometer 334, www.mi.government.bg).

In Bulgaria, which is a country with a rich heritage and a lot of places of tangible and intangible culture, cultural tourism is the second most preferred type of tourism for both Bulgarian and foreign tourists. According to the Ministry of Economy, Energy and Tourism, in the spring of 2010 50% of foreign respondents and 19.2% of Bulgarian tourists have practiced cultural tourism and in the summer of the same year 52% foreigners and 16% of people have visited various historical sites (Survey of foreign visitors to Bulgaria, summer 2010, www.mi.government.bg), (Study on the demand of tourist products and services of domestic tourist in Bulgaria in the high tourist seasons – summer 2010, www.mi.government.bg).

In recent years, we have witness increasing interest in cultural tourism in Bulgaria. At the same time, in contemporary conditions cultural tourism is developing in an external environment characterized by high dynamism and increasing competition in the tourism market, and globalization of tourism business. Under these circumstances, maintaining their positions in the tourism market is of great importance for tourism businesses.. The development and implementation of pricing policy which is adequate to the market conditions and consumer demand is an essential tool for achieving this goal and gaining a competitive advantage.

The availability of accurate, forecasts for the situation of the tourism market, consumer demand and the competitive environment, based on market research and analysis, is a mandatory condition for correct choice of pricing policy of the travel agency.

The aim of the study is to explore and identify opportunities for improving the pricing policy of travel agencies which offer of cultural tourism products. To achieve this aim, a survey in 23 travel agencies was conducted. In the course of data collection, respondents were chosen among their management (owners and co-owners, managers). The survey was conducted between February and May 2013. The data collection method was a direct self-administered questionnaire. The data base was created and processed through SPSS for Windows, and the results are presented in a graphic form using Microsoft EXCEL.

Formulation of the problem

Pricing policy is very important for the market success of travel agencies offering products of cultural tourism. (Anastasova (1998) states that tourism practice convincingly shows that without the implementation of ongoing research on the prices of products on the market it is not possible to achieve efficient pricing. The same author points out that in the process of pricing policy development, most of the prosperous tourism businesses consider perceptions and attitudes of customers towards the level of prices of their products and towards their pricing policy in general.

The importance of pricing for travel agencies is expressed in determining the optimal price for the product, acceptable to consumers in the target market, and also in

making a profit and achieving efficiency. That is why the pricing policies and methods of price formation are important for the efficient functioning of travel agencies and for achieving success in the market of cultural tourism products. It is important to note that on the one hand, prices and pricing are a tool for increasing sales volumes, and on the other – they have a strong influence on customer loyalty. Pricing must be consistent with the situation in tourism markets and consumer demand (Todorov (2009). This implies the need from perfectly conducted and flexible pricing policy. The relationship between price and quality of the products of cultural tourism is also important.

There are different views on pricing policy. According to (Kazakova (2012) the pricing policy of the company consists in setting prices and their varying depending on the market situation in order to ensure the implementation of short and long-term goals (achieving a certain market share, gaining leadership in the market, getting the target profit , maximization of profit and survival of the enterprise) and solving operational tasks related to the implementation of the product in a particular phase of its life cycle, the activity of competitors and others. The opinion of other authors is that pricing is a system of measures, processes, forms and methods of influence on consumer demand-oriented research, and forecasting the state of the market environment, aimed at maximizing opportunities for satisfying the needs of consumers (Sinyaeva et al 2013). Therefore, pricing policy is implemented to increase the profitability of the company taking into account mainly the cost, the usefulness of the product for consumers, the reaction of competitors to price changes.

At the same time in terms of demand prices are perceived as an indicator of product quality in cultural tourism, which is why it is imperative that their formation is based on extensive research of various factors. There are different views in the literature on the factors that influence pricing. According to some authors, pricing decisions are based on consideration of the following four key factors: perceived purchasing value, costs, competition, strategic objectives (Kapon et al 2010). (Kvartalnov (2002) states that in order to determine the correct price of the product it is necessary to analyze a lot of factors. According to the author, one of the main factors is the form of competition that dominates a market. In this regard (Rakadjiiska et al 2004) states that the pricing policy of competitors and their reactions to price changes are important and indispensable reference for identifying and managing the cost of their product. At the same time, (Katernyuk (2008) believes that companies which form pricing policy based on the determination of the target market are able to identify the real cost of the product and to prevent the entry of new competitors in the market. Therefore, it is extremely important for travel agencies to identify the degree of monopolization of the market and analyze the pricing policy of competitors. In support of this (Doganov (1994) argues that the impact of price competition on consumer demand is via a change in price, i.e. pricing policy becomes an active, and often the chief means of competitive struggle.

In the scientific literature two types of factors determining proper pricing are discussed – internal and external to the organization (Middleton (2001). The internal factors that travel agencies should consider are goals and strategies of the organization, costs, organizational framework and the marketing mix (Rakadjiiska et al 2004). External factors determining the pricing decisions of travel agencies are characteristic of the target

market and the demand, characteristics of the product and the capacity, behavior of competitors and limitations of the macro environment (Rakadjiiska et al 2004).

It is necessary to take into account that a properly chosen pricing strategy has long-term and crucial influence on the competitiveness of the product and the company (Bezrutchenko (2012) and guarantees success of the enterprise. While properly implemented pricing strategy allows the company to increase sales, maximize profits and reach efficiency of all the production and sales operations (Pehlivanov et al (2013).

Marketing research on consumers is important for the formulation of an adequate market pricing situation and outlining the potential for improvement. The opinion of (Bezrutchenko (2012) is that consumers have a significant impact on the enterprise in the field of pricing and the proper handling and reporting of their behavior requires specific and reliable information on the general regularities and peculiarities of their actions in the market. According to (Kvartalnov (2002) price is a reflection of how consumers perceive the product. In our opinion, the consumer survey is essential to determine the structure and needs of the markets in which the entity operates, and their loyalty to the firm; the income that they spend on products and to satisfy different needs, the price they are willing to pay. At the same time, marketing research of products of cultural tourism is an important prerequisite to identify opportunities to improve the pricing policy of travel agencies in the field of cultural tourism, and hence to increase the sales volume and to improve the outcomes of their activities.

Analysis of the study results

The analysis and evaluation of the survey results make it possible to outline the main points in several directions.

14.6% of respondents gave a positive response to the question "Does your agency offer specialized cultural tourism products", and 19.3% indicated that they were in the process of developing such a product.

As regards the assessment of the demand for cultural tourism products, respondents gave their answers using a five-point rating scale with a grade from 2 to 6[2]. It can be seen that the relative proportions of respondents who estimated demand as average (39.7%) and low (25.2%) are the highest. It is noteworthy that 18.7% of respondents said they could not judge the extent of consumer demand for the products of cultural tourism destinations and 13,5% think there is no demand for cultural tourism.

Identifying tourist needs and preferences in cultural tourism is very important for the formation of an effective pricing policy. The survey results show that a significant part of the respondents did not take any action to identify the preferences of tourists to cultural tourism (38.9%). It is noteworthy that 25.6% of respondents said that they know relatively well the needs of tourists.

Answers to a question related to identifying the key areas of marketing research on the needs and attitudes of tourists and focused only on travel agencies who carry out such studies show that they perform research on:

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[2] Note: grade 2 shows there is no demand; grade 3 assesses demand as low; grade 4 as average; grade 5 as high; grade 6 assess demand as very high

➢ preferences of tourists to practicing cultural tourism (28.7%);

➢ attitudes of consumers to the price level of the offered cultural tourism product (29.7%);

➢ upper limit of the price consumers of different target markets are willing to pay for the quality offered (4.5%);

➢ willingness of loyal customers to replace the cultural tourism product when its price an increases with another and the reason for this (2.8%).[3]

At the same time it is found that important area of study of the preferences of tourists is the season when cultural tourism is practiced. The majority of respondents indicated that the most preferred period to consume the product of cultural tourism is from June to September, followed by April -May and October. Factors shaping this choice are age, marital status (presence of children or students), the opportunity to use leave, availability of discounts in different periods, holidays/weekends, cultural events (festivals, fairs, etc.), suitable climatic conditions, etc.

It is important to note that a small part of respondents (10.5%) is focus on the study of the tourist markets in order to determine the appropriate pricing policy. While almost all (92.5%) of the surveyed travel agents claim to hold a flexible pricing policy, which is contrary to the answers received to the question of the performance of situational research and analysis.

The respondents' assessment of the importance of the factors that influence the formation of the pricing policy of the surveyed enterprises is also of interest. It was found that the most important factors respondents identify are: the season, the type and quality of service, type of purchase, i.e. individual or organized. It is noteworthy that "discounts in price" is not among these factors.

One of the prerequisites for a more complete answer to the requirements of the consumers of cultural tourism is the creation of an attractive product for them, with the appropriate quality and price. The survey results indicate that a small proportion of respondents (9.8%) study the consumer satisfaction on the optimality quality-price ratio of product of cultural tourism.

Another important point in the study of the pricing policy of the travel agencies in the field of cultural tourism is the examination of the nature of the concessions they make to consumers of this type of tourism. The survey results indicate that the largest proportions are seasonal discounts (23.3%) and discounts for long-term business clients (19.6%).

The next group of questions aimed at assessing the extent to which travel agencies conduct market research of competitors. It is noteworthy that there is a high percentage (29.9%) of agencies that say they carry out such studies.

The study results show that respondents study their competitors in terms of:

➢ strategies and tactics of pricing (13.2%);

➢ market share of competitors (10.1%);

➢ products offered by competitors (21.3%);

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[3] Note: the Sum total of percents is less than 100%, because the question was answered only by travel agencies which conduct competitive analysis

➢ prices of products (18.5%);

➢ ways of selling products (4.6%);

➢ advertising messages, approaches and tools for promotion of the products (3.1%);

➢ price levels and price ratios in which competitors offer different target markets its products (5.6%);

➢ mean change of own prices and those of competitors in each of the last 5 years (9.8%);

➢ types and amount of rebates that competitors offer for their products to different target markets (2.3%).[4]

In order to outline measures to improve pricing of travel agencies in the field of cultural tourism it is important to consider the self-assessment of respondents' degree of the effectiveness of their pricing strategy. It was found that the highest proportion of respondents (72.1%) determine their pricing strategy to be successful. It is noteworthy that 2.3% respondents said that their pricing strategy is very successful and 3.4% defined it rather unsuccessful. Only 1.2% of respondents have not developed a pricing strategy. The main reason for this is the fact that 70.1% of respondents believe that they do not have the necessary professional knowledge, skills and competencies in the formation of the pricing policy of the company.

Conclusion

The results of the study allow us to draw the following conclusions and recommendations:

1. The potential of marketing research as an essential tool for the study of consumer demand for the products of cultural tourism is underused. This is a serious problem for the successful development of the activities of travel agencies, as knowledge of the needs and requirements of consumers plays a crucial role in offering competitive products, the formation of an effective pricing policy, an increase in sales volume and the final economic performance.

2. Significant proportion of surveyed travel agencies do not perform research and competitive analysis of the market of cultural tourism products. It was found that the conducted studies do not cover fully the necessary dimensions of competitive analysis, and the collected data and the results are not sufficient for making appropriate management decisions on pricing policy.

3. We may outline the following key actions to improve the pricing policy of Bulgarian travel agencies in the field of cultural tourism:

➢ Regular market research on the demand for products of cultural tourism and their price levels, as well as knowledge of trends in customer requirements. This will help to identify the perceptions of the market, an appropriate pricing policy which ensures the competitiveness of Bulgarian travel agencies and helps them to maintain their positions in the tourism market.

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[4] Note: the Sum total of percents is less than 100%, because the question was answered only by travel agencies which conduct competitive analysis

➢ Establishment of a system to monitor the price levels of the products of cultural tourism of competitors. The availability of reliable, relevant and sufficient marketing information about the prices of the products of cultural tourism is crucial for decision making.

➢ Increased knowledge and experience of the managers of travel agencies to use price as a marketing tool. In particular, training should be directed to conducting a competitive pricing policy at company level.

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JOB SATISFACTION IN THE SERVICE ORGANIZATIONS IN SERBIA

Corresponding author:
Ana Jovičić, MSc.[1]
Geographical institute "Jovan Cvijić" SASA
Đure Jakšića 9, 11000 Belgrade
Serbia
E-mail: ana.jovicic@fondmt.rs
Phone no.: 00381641478824

Dunja Vujičić, MSc.[2]
University of Novi Sad, Faculty of Technical Sciences, Novi Sad
Trg Dositeja Obradovića 6, 21000 Novi Sad
Serbia
E-mail: dunja.vujicic@fondmt.rs
Phone no.: 00381655206928

Radovan Oreščanin, MSc[3]
University of Novi Sad, Faculty of Technical Sciences, Novi Sad
Trg Dositeja Obradovića 6, 21000 Novi Sad
Serbia
E-mail: maiordomusns@gmail.com
Phone no.: 00381637492624

Danijela Lalić, PhD.[4]
University of Novi Sad, Faculty of Technical Sciences, Novi Sad
Trg Dositeja Obradovića 6, 21000 Novi Sad
Serbia
E-mail: danijelalalic@uns.ac.rs
Phone no.: 00381642184992

Abstract

In the service sector, human resource management is definitely one of the major factors of organization success. The purpose of this paper was to study the most important intrinsic and extrinsic motivation factors of job satisfaction in service sector in Serbia. Job satisfaction is very important issue in the service sector, regarding the fact that when the employees are satisfied with their jobs, they will give better

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[1] Balazakova 15, 21000 Novi Sad, Serbia
[2] Modene 1, 21000 Novi Sad, Serbia
[3] Heroja Pinkija 10, 21000 Novi Sad, Serbia
[4] Trg Dositeja Obradovića 6, 21000 Novi Sad

service to their customers and in that way the level of customers satisfaction will increase as well. Job satisfaction theories were used as the basis for this research. Statistical techniques used in the study are descriptive statistics measures and statistical techniques of inference. Our overall conclusion is that employees in service organizations in Serbia are generally not satisfied with their jobs, and that there are opportunities for enhancement, but we have found no evidence of serious discontentment.

Key words

Job satisfaction, intrinsic and extrinsic motivation factors, service organizations, Serbia

Introduction

The importance of services in the economy of Serbia is measured as the value added of services as percent of the gross domestic product (GDP). Economy of Serbia is a service-based economy with the tertiary sector accounting for 70.8% of total gross domestic product in 2012. The services sector includes wholesale and retail trade, transport, financial services, education, health care, real estate, hospitality etc. In Serbian economy the employment capacity indicates the great importance of service sector. In the service sector, the human-centered approach in management processes is one of the most important factors which may help in delivering the long-term sustainable results (Nedeljković et al, 2012). The success of organizational change and development efforts is positively correlated with the extent to which these efforts activate an individual's internal resources (Jawahar et al.,1992).

The purpose of the study is to give us an insight into how the employees in service sector in Serbia perceive certain aspects of the job. The aim of this study is to identify potential differences between intrinsic, extrinsic and general job satisfaction within employees in service organizations in Serbia considering their gender, ages, educational level and employment type. Studying the way the employees perceive the company where they work is of key importance for the understanding of what determines the attitudes of the employees towards their job (Tuzun, 2009).

Literature review

Hopok did the introducing of *job satisfaction* into the scientific circles (Wright, 2006). He considers job satisfaction a combination of psychological and physiological circumstances, as well as the circumstances of the environment which cause the employee to say: "I am happy with my job" (Matanović, 2009). Hirschfeld (2000) connects job satisfaction to the extent to which the employees like their job. Locke (1976, 1300) defines job satisfaction as a pleasant emotional state which is the result of one's job or work experience. Rothmann i Agathagelou (2000) explain job satisfaction as a complex of variables which are affected by situational factors of the working environment. Within two-factor theory Herzberg et al. (1959) have examined different factors which affect job satisfaction.

By using the "key incident" method, Hercberg is one of the first theorists who discovered that job satisfaction and job dissatisfaction are not two extremes on the same continuum, but are separate dimensions caused by different factors of the working

situation. Thus satisfaction and lack of satisfaction are under the influenece of external – extrinsic or hygienic factors and they are controlled by the managament. They include: material compensations, working conditions, the relationship between the colleagues and the superior, job security, company's work policy. When met, these factors do not lead to higher motivation and employees' satisfaction, but only prevent job dissatisfaction. On the other hand, another group of factors which the above mentioned author calls motivators – intrinsic factors, are the source of working motivation and job satisfaction. These are the factors that relate to those job aspects which are related only to doing the job, such as: job challenge, the possibility of personal achievement and success, the level of responsibility, the possibility of growth and self-actualisation, the possibility of improvement and receiving credit for the effort made (Hancer, George, 2003). According to Lopopolo (2002) job satisfaction is a person's attitude towards their own job and emphasises five dimensions which affect job satisfaction, and these are the nature of relationships, hirearchy, job nature, focus on rewards and support, internal motivation and moral values. Spector (1997,2) defines job satisfaction as a feeling people have about their job and different job aspects. Spector states three dominant approcahes in defining job satisfaction factors. The first approach points out to different work environment aspects as main factors of satisfaction, such as: the variety of skills, significance of tasks, task identity, independence, feedback on whether job is done correctly, etc. The second approach emphasises the significance of personal characteristics for the subjective feeling of satisfaction or disatisfaction with the current job. The third approach emphasises the relation between the person and the environment as a significant prerequisite for job satisfaction.

Satisfaction of the employees is especially significant for the service companies. In such companies keeping the client is directly dependent on direct contact with the employees, which is why building job satisfaction of the employees can contribute to success of organisations to a great extent. (Lawler, 1973).

When it comes to job satisfaction we encounter two basic concepts in the papers. The first approach is a hollistic one, which considers job satisfaction a one-dimensional construct (Lawler, 2005). It is a person's attitude towards the job, one central feeling related to the job which is not split to individual aspects. The second approach to job satisfaction is an additive approach which views this construct as multidimensional (Smith, 2005). According to this approach job satisfaction is satisfaction with individual job aspects. What a person feels about their job is a sum of satisfaction with individual job aspects.

LaLopa (1997) has pointed out to the fact that when employees feel satisfaction with their job, they are ready to commit themselves to the company and remain working there. Spinelli and Canavos (2000) have concluded that the workers feel more satisfied if they are involved in the process of making decisions and if they have had a proper training. Numerious benefits for the employees as well as efficient management have also been stated as significant factors which affect job satisfaction. In that sense, Lam et al. (2001) proposed organising workshops, trainings and other development plans, especially for the new and highly educated employees.

Materials and Methods

The sample consisted of 150 employees from the service organizations in Serbia. The questionnaire was distributed in paper form. Table 1. shows the demographic structure of the respondents.

Table 1. Demographic variables of the respondents

The questionnaire consists of two parts. The first part are the demographic variables. Other part was the the *Minnesota Satisfaction Questionnaire* (MSQ) (Weiss et al., 1967) which reflects to which extent the respondents are satisfied or unsatisfied with individual job aspects. The scale consists of 20 questions and it measures external (extrinsic) and inetrnal (intrinsic) job aspects.

Minnesota Satisfaction Questionnaire assesses the respondents' attitude towards different job aspects (Schleicher et al., 2004):

- activity – possibility of maximum utilization of the working hours with work;
- independence – possibility to work independently;
- variability – possibility to do different jobs;
- social status – getting respect from others;
- supervision, *human relations* – relationship between the superior and the employee;
- supervision, *technical* – technical quality of controlling and monitoring;
- moral values – possibility to do the job with the presence of personal conscious and responsibility of the employee;
- security – the way the job ensures secure employment;
- social service – possibility to do the job as a favour to others;
- authority – having a chance to tell others what to do;
- ability utilization – possibility to do something thanks to personal abilities;
- company policies and practices– the way the organizational policy of the company is implemented;
- compensation – feeling of adequate financial compensation in exchange for the amount of work done;
- advancement opportunities– having possibility to be promoted at the job;
- responsibility – freedom to use personal judgment on work;
- creativity – possibility to apply some of the personal methods on work;
- working conditions – physical aspects of the working environment;
- co-workers – the relationship between colleagues;
- recognition – recognizing a job well done;
- achievement – feeling of personal contribution on work.

All variables that were on Likert-type scales were measured with responses ranging from '1 = Strongly Unsatisifed' to '5 = Highly satisfied'. Statistical techniques used in the study are descriptive statistics measures (arithmetic mean, standard deviation) and statistical techniques of inference (the T-test, the ANOVA test). SPSS statistical package was used for the statistical process.

Results

The scales showed good reliability. The Cronbach's alphas should be above 0.7 Nunnaly (1978), which was achieved in each of the scales used for Intrinsic Job Satisfaction scale (INT) (α = .898), Extrinsic job Satisfaction scale (EXT) (α = .890) and General Job Satisfaction (MSQ Total) (α = .915).

Results of descriptive statistics show that respondents are equally satisfied with both, internal (M=3.25) and external (M=3.24) aspects of job satisfaction.

Table 2. Descriptive Statistics: Intrinsic factors - motivators

In the case of internal factors - the motivators, that cause job satisfaction, employees are mostly satisfied with the ability to perform tasks in the presence of personal conscience and responsibility (3.57), and the ability to utilize the maximum of working time for their job duties (3.55). Results shows that respondents do not feel that financial compensation for their work is adequate (M=2.75).

Table 3. Descriptive Statistics: Extrinsic (Hygiene) factors

In terms of extrinsic, hygiene factors influencing the absence of dissatisfaction, but do not contribute to job satisfaction, results show that respondents are most satisfied with interpersonal relationships in the work place (3.79), as well as the physical aspects of the work environment (M=3.46). Respondents are the least satisfied with the possibility of career advancement (M=2.67), and the chance to demonstrate authority in the workplace (2.80).

Table 4. T-test by gender

Based on the item mean ranks and the T-test, it will be determined whether there are differences in the perception according to gender. Results shows that there is significant difference (p<0.05) between men and women (Intrinsic motivation M=3.45,SD=..767; Extrinsic motivation M=3.42, SD=.786; Generall job satisfaction M=3.44, SD=.749) and women (Intrinsic motivation M=3.10, SD=.896; Intrinsic motivation M=3.42, SD=.883; Generall job satisfaction M=3.10, SD=.870).

Table 5. ANOVA test by age

By using the One-factor Analysis of the Variance the effect of age on the level of intrinsic motivation, extrinsic motivation and generall job satisfaction for the six age groups was examined (group 1: under 20; group 2: 21 – 25,group 3: 26-30, group 4: 31-35, group 5: 36-40, group 6: more then 40). The results of ANOVA test have shown that there is no difference between six age groups considering that p>0.05 level in any case.

Table 6. ANOVA test by education

ANOVA test results in shows that there is no statistical difference between four groups of employees considering educational level (group 1: high school; group 2: college, group 3: bechelor degree, group 4: master or PhD degree), $p > 0.005$ level in any case.

Table 7. T-test by employment type

T-test analyses two groups of employees, where the first group consists of employees with temporary jobs, and the second group consists of employees with permanent jobs. Based on the results of the T-test, it was determined that there is a statistically significant difference of the mean ranks ($p < 0.05$) of of intrinsic motivation, extrinsic motivation and generall job satisfaction.

Discussion and conclusion

Job satisfaction is generally attributed to various intrinsic and extrinsic factors which influence the behavior of employees. The way how employees perceive and feel about these various factors and how they affect their job is the basis for assessing job satisfaction. The primary goal of this paper was to study the most important intrinsic and extrinsic motivation factors of job satisfaction in service sector in Serbia. The secondary goal was to study the eventual existence of statistically significant differences between the intrinsic, extrinsic and general job satisfaction of employees in service organizations, considering their gender, age, educational level and employment type.

Findings of the research shows that employees in service organizations in Serbia are generally not satisfied, but also they are not dissatisfied with their job. Results of descriptive statistics show that employees in the service sector is almost equally satisfied with both, internal and external aspects of job satisfaction, which can be explained by the fact that employees in Serbia do not identify the difference between these factors, or do not recognize their impact on job satisfaction and job dissatisfaction. Due to unfavorable economic situation in Serbia, it is possible that employees recognize contextual motivation factors as more significant, so they can achieve job satisfaction when the job has little potential to satisfy their need for self-actualization. Poor economic situation to a great extent affects the fact that in such conditions a person is satisfied with the very existence of their employment, so they often equate the possibility to have a permanent job, regular income and legally defined rights of the employment with job satisfaction.

Management organizations need to understand the equal importance of both external as well as internal factors of motivation. Extrinsic job satisfaction is the emotional state which is controlled by the organization and they are not necessarily satisfying, but their absence could cause dissatisfaction. Intrinsic Job Satisfaction Factors could be a motivational force, although their absence was not necessarily dissatisfying.

In accordance with the previous studies results have shown that women show lower level of job satisfaction (Mora, Ferrer-i-Carbonell, 2009). Previous results in accordance with the study shown in the paper point out that emploees with temporary jobs feel less satisfied with the job compared to employees who have permanent jobs (De Witte, Lagrou, 1990, Van Breukelen, Allegro, 2000).

Some studies conducted show that older workers are more satisfied (Davis, 1988,100). Kose (1985) found a meaningful relationship between the age and job satisfaction; (Hamshari, 1983) and have found that education increases job satisfaction (Well-Maker, 1985; Hamshari, 1986), which has not been confirmed in this study.

It is crucial for organizations to understand importance of job satisfaction. Job satisfaction effects on the physical health, longevity; mental health, and the impact it has on interaction between employees and the feelings of employees toward their jobs and social lives, but also for the total quality of life of the employee, behavior like absenteeism, complaints and grievances, frequent labor unrest and termination of employment (Buitendach, De Witte, 2005). Job satisfaction also predicts organizational commitement which has an influece on organizational performance, low level of fluctuation, intention to leave the organization, higher productivity of the employees, better financial results. Satisfaction of the employees is especially significant for service organizations because consumers' perception of the service is directly dependent on contact with the employees. Only satisfied employees are able to give their costimers high quality performance service (LaLopa, 1997).

Organizations should provide safe and comfortable work environment for their employees where employees could be included in decision making, encouraged to be creative, initiative, and where their results will be recognised. Positive working conditions will keep employees morale, motivation and productivity at the high level. To increase the level of job satisfaction of the employees, managers should strive to provide with a working environment which is sensitive to the employees' needs and their levels of competence.

Acknowledgments

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Table 1. Demographic variables of the respondents

Variable	Category	Number of respondents	Percentage
Gender	Male	63	42
	Female	87	58
Age	<20	32	21.3
	21-25	29	19.3
	26-30	39	26
	31-35	28	18.7
	36-40	14	9.3
	≥41	8	5.3
Education	High school	47	31.3
	College	25	16.7
	BA	62	41,6
	MA/PhD	15	10.7
Employment type	Temporary	70	46.7
	Permanent	80	53.3

Table 2. Descriptive Statistics: Intrinsic factors - motivators

Intrinsic factors					
Cronbach's Alpha .898					
	N	Minimum	Maximum	Mean	Std. Deviation
Activity	150	1	5	3.55	1.096
Independence	150	1	5	3.33	1.224
Variability	150	1	5	3.36	1.206

Moral values	150	1	5	3.57	1.149
Ability utilization	150	1	5	3.30	1.315
Compensation	150	1	5	2.75	1.068
Responsibility	150	1	5	3.11	1.207
Creativity	150	1	5	3.10	1.236
Recognition	150	1	5	3.17	1.169
Achievement	150	1	5	3.21	1.207
Total	150	1	5	3.25	.860

Table 3. Descriptive Statistics: Extrinsic (Hygiene) factors

Extrinsic factors					
Cronbach's Alpha .890					
	N	Minimum	Maximum	Mean	Std. Deviation
Social status	150	1	5	3.02	1.323
Supervision, *HR*	150	1	5	3.38	1.224
Supervision, *technical*	150	1	5	3.26	1.201
Security	150	1	5	3.43	1.318
Social service	150	1	5	3.35	1.210
Authority	150	1	5	2.80	1.204
Company policies and practices	150	1	5	3.22	1.134
Advancement opportunities	150	1	5	2.67	1.197
Working conditions	150	1	5	3.46	1.066
Co-workers	150	1	5	3.79	1.150
Total	150	1	5	3.24	.855

Table 4. T-test by gender

	Gender	N	Mean	Std. Deviation	t	Sig. (2-tailed)
INT	1 Male	63	3.45	.767	2.519	.013
	2 Female	87	3.10	.896		
EXT	1 Male	63	3.42	.786	2.257	.025
	2 Female	87	3.11	.883		
MSQ Total	1 Male	63	3.44	.749	2.452	.015
	2 Female	87	3.10	.870		

df=148

Table 5. ANOVA test by age

		Sum of Squares	df	Mean Square	F	Sig.
INT	Between Groups	1.812	5	.362	.482	.789
	Within Groups	108.261	144	.752		
	Total	110.073	149			
EXT	Between Groups	2.293	5	.459	.619	.685
	Within Groups	106.621	144	.740		
	Total	108.913	149			
MSQTotal	Between Groups	1.883	5	.377	.531	.753
	Within Groups	102.150	144	.709		
	Total	104.034	149			

Table 6. ANOVA test by education

		Sum of Squares	df	Mean Square	F	Sig.
INT	Between Groups	2.871	3	.957	1.303	.276
	Within Groups	107.202	146	.734		
	Total	110.073	149			
EXT	Between Groups	3.972	3	1.324	1.842	.142
	Within Groups	104.941	146	.719		
	Total	108.913	149			
MSQTotal	Between Groups	3.189	3	1.063	1.539	.207
	Within Groups	100.844	146	.691		
	Total	104.034	149			

Table 7. T-test by employment type

	Group Statistics					
	Employment type	N	Mean	Std. Deviation	t	Sig. (2-tailed)
INT	1 Temporary	70	2.96	.848	-4.054	.000
	2 Permanent	80	3.50	.791		
EXT	1 Temporary	70	2.89	.820	-5.053	.000
	2 Permanent	80	3.54	.767		
MSQTotal	1 Temporary	70	2.92	.818	-4.677	.000
	2 Permanent	80	3.52	.750		

df=148

THE MOTIVATION PROCESS OF HUMAN RESOURCES WITHIN AN ORGANIZATION

Isac Nicoleta
University of Piteşti, Faculty of Economics, Romania
nicoleta_isac2004@yahoo.com

Antoniu Eliza[1]
University of Pitesti, Faculty of Economics, Romania
elizantoniu@yahoo.com

Abstract

One of the basic conditions leading to increased competitiveness in today's business organizations is the motivation of human resources. Motivation is not just a theoretical concept, an end in itself, but a more insistently valuable tool used by managers to achieve higher performance and achieving the optimum cost and quality. A research on the motivation of human resources, made in SC Alvvimar Comimpex S.R.L, aimed to analyze the structure of staff, level of remuneration and the role of motivation in enhancing employee performance. The research method used in this case was a survey, using as a tool for investigation and collection of information the questionnaire and interpreting the results with Statistical Package for the Social Sciences method. With this reaserch, we tried to enhance the use of motivation as a main managerial method to achive individual and organizational efficiency and competitiveness.

Key words: motivation, human resources, performance, efficiency.

Jel: M12

Introduction

Motivation is a major component of management and one of the most commonly treated subject in the literature, so it captures a wide variety of approaches, often contradictory.

In the contemporary economic context, SMEs should act as learning entities, developing the most important resources they have: human resources (García Sánchez, A. et al, 2011). In this sense, human motivation is a complex and dynamic process, for which there is no single answer to the importance of influence that money has or human factors on the ability of employees (Lefter V., 2008). Operational involvement in strategic human resource management is not a new of the enterprise social function. Implementation of the strategy is always done with people and from this point of view, the function of personal support actions that are planned (Fira V., 2009). The increasing importance of human

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[1] Str. C-tin Dobrescu Arges, nr. 2, Bl.B10, Sc.E, Ap. 2, cod 110432, Pitesti, Romania.

resource management activities, of the personnel functions and structures with responsibilities in this area was based on the increasingly important contribution of motivation to increase staff performance (Mardar MS, 2010).

The research and results

The organization combine in different proportions material, financial, information and human resources to produce goods and services. However we consider that the human resources are vital to the success of any business. Research conducted in the organizational SC Alvvimar Comimpex LLC on the analysis and evaluation of human resources motivation had in mind, on the one hand, to characterize aspects of the structure of staff, the level of remuneration and the motivation of staff, and on the other hand, it holds potential by people who formed team, which can be eventually the most formidable source of competitive advantage.

In order to assess the level of motivation of SC Alvvimar Comimpex LLC employees was used the questionnaire method. It were used, on the one hand, closed-choice questions and open questions, which enabled the interviewed employees to express their views on the matter.

The questionnaire was sent to a number of 43 people, representing a sample of 33% of the total staff, and 12 of these were female (representing 28% of the respondents) and 31 were males (representing 72% of respondents). The selection of the sample took into account the structure of staff (direct productive personnel and administrative staff), the structure of employment by training, seniority and position of respondents in the organizational structure (production staff, executive personnel and management team). Given the structure of the SC Alvvimar Comimpex LLC staff, were surveyed 3 people with basic general knowledge, 33 people with secondary, 4 people with post-secondary and 3 people with higher education.

By centralizing all the answers to the questionnaires, the results were:

Q1: "Do you think that your work, done in the organization, is paid according to results?"
a) 7 people answered "yes" or a rate of 21.9%;
b) persons replied "small", which corresponds to 71.9%;
c) the remaining 2 people believe that "no", ie 6.2%.
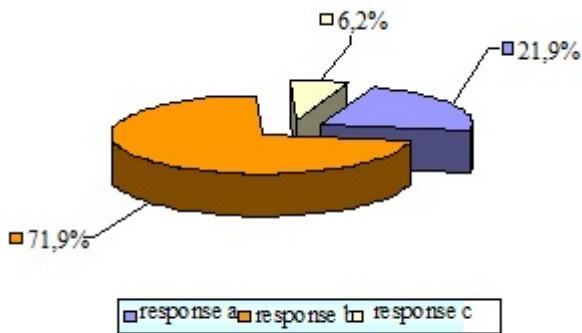
Figure 1: Share responses to question 1

Q2: Have your company given incentives / bonuses for outstanding results?
a) 12 people answered "yes", ie a rate of 37.5%;
b) 5 people answered "in rare circumstances", that is 46.9%;
c) 5 people answered "not granted", ie 15.6%.
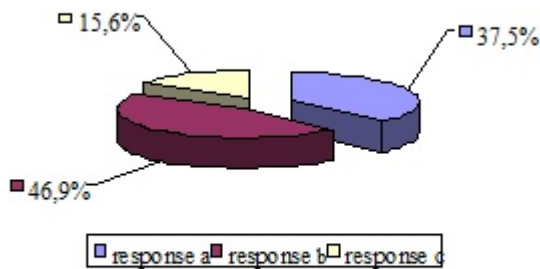
Figure 2: Share responses to question 2

Q3: „Do you consider that, in your team, the respect and consideration is just as important as material reward?"
a) 20 people answered "yes" or a percentage of 62.5%;
b) 9 people responded that it "less of importance", ie a rate of 28.1%;
c) 3 people found that "not necessary", ie a rate of 9.4%.
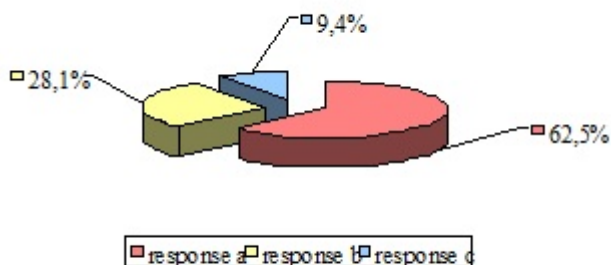
Figure 3: Share responses to question 3

Q4: Do you think that the assessing given by your direct manager is just as important as the financial reward?

a) 14 people answered "yes" or a rate of 43.8%;

b) 16 people answered "is less important", ie a rate of 50%;

c) 2 people believe that "assessment is irrelevant", ie a rate of 6.2%.
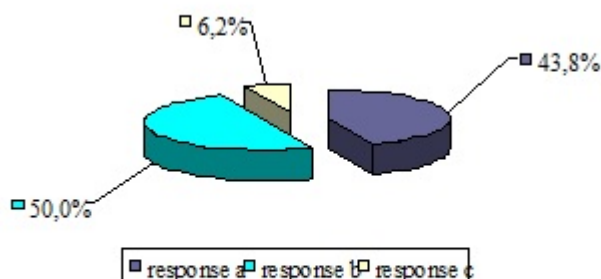
Figure 4: Share responses to question 4

Q5: Do you think that promotion of the employees is based on competence or seniority criteria?

a) 24 people believes that employees are promoted based on criteria of competence, ie a rate of 75%;

b) 8 people believes that employees are promoted based on seniority, ie a rate of 25%.
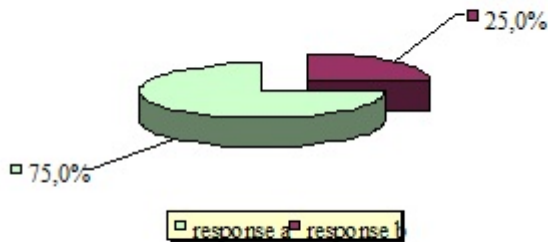
Figure 5: Share responses to question 5

Q6: In the process of drafting and implementing projects in the organization, is initiative accepted and encouraged? "
a) 23 people answered "yes" or a rate of 71.9%;
b) 7 people answered "in rare circumstances", that is 21.9%;
c) 2 people answered "no", ie a rate of 6.2%.
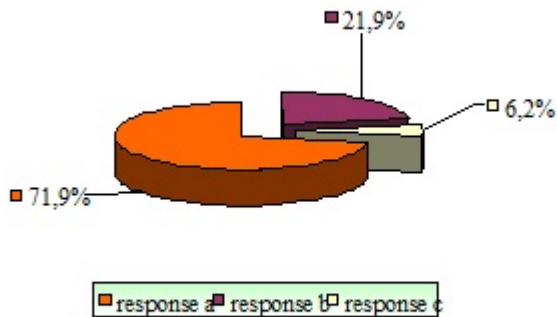
Figure 6: Share responses to question 6

Q7: "Have you been wronged or unfairly treated?"
a) 5 people answered "yes", ie a rate of 15.6%;
b) 11 people answered "in rare circumstances", that is, 34.4%;
c) 16 people answered "no", ie a rate of 50.0%.
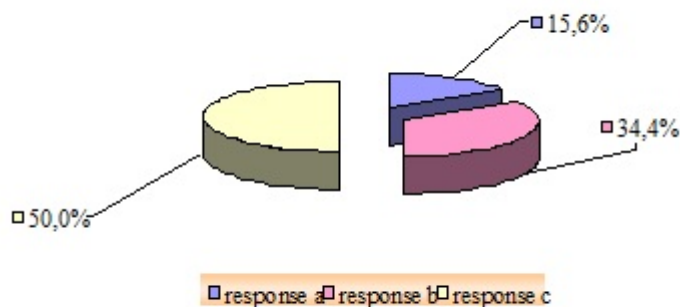
Figure 7: Share responses to question 7

Conclusions

From many theories on motivation follows a great diversity of elements wich are involved directly and indirectly in the design and execution of the motivation process. Not one theory is a panacea for solving a motivational problem in the organization. It provides instead useful information in attempt to improve the motivation level of employees.

We found that motivation is consisting in both domestic and external motives motives (which are treated through a process of internalization), it is dynamic, in that it restructures and adjusts continuously according to: changes in the system of needs, level of education, work results, the status of employees. Also, the motivation makes possible to explain a psychosocial phenomena as the choosing process of profession, training, work integration, stability at work and even risk taking.

The need to pay due attention to motivation is given by the fact that, as managers claim "people are the most precious capital" but really, in our opinion people are not capital, they are the very firm. It is essential that the managers of an organization to know what are the main factors that influence the content of motivation - whatever their nature - and who can act on them.

Thus, we have identified several factors which were grouped, according to their membership and the ability to influence, in three categories:

a) individual factors - reflecting the characteristics of each employee;

b) organizational factors - which designate those elements that reflect the state and characteristics of the organization, that influence in a significant manner the approach, content and results of staff motivation;

c) contextual factors - incorporating those elements of the exogenous organization having a marked influence on the content and effects of motivational processes within it.

Depending on their nature, of the manifestation, the manner in which they can be influenced and by motivational effects they generate, the needs of each employee can be classified in three categories:

- Economic needs
- Cognitive needs
- Emotional needs.

Each person, depending on the specific needs and of the national and organizational context in which they operate, has motivational aspirations and expectations. In an organization, managers need to know what determines people's behavior, goal and their personality. It is very important for the manager to consider how people in organizations actually behave and not how he would want to behave. In the SC Alvvimar Comimpex LLC was placed and put a great emphasis on the fact that there must be a correlation between the aspirations and expectations of the employees and the organization's objectives, as these things are essential to achieve individual and organizational performance.

The staff motivation strategy is designed based on the following three key issues:

- the average age of staff is low (around the age of 34 years);

- technical and material equipment performance and work climate that exists currently;

- the amount of employment wage, which is quite low compared to other areas.

Assuming that financial motivation is not strong in this organization, the managerial team continually seek to motivate the staff, especially emotional, by strengthening the sense of job security and belonging to the organization. This organization is moving towards participative management and the openness of managerial team to motivation, communication, promotion of staff solely on the basis of competence and emphasis on internal recruitment to fill management positions, have long been certain, undeniable things. Also, this organization put a great emphasis on training and professional development of the employees. Given that it aims to develop an transparent personnel policies, based on the idea of promoting young people with a high level of training and education, we can conclude that, in this regard, the organization is safe, at least in short and medium term.

Recomandations

As a recommendation, it is necessary that SC Alvvimar Comimpex Ltd to set a remuneration system that should be in accordance to the company's financial results and to the results of each employee. Also consider that this system should be known to all employees, including criteria for rewards granted. Considered that the possibility of employee participation in profit earned by the organization would be particularly motivating, strengthening their sense of belonging. All this would certainly lead to an intrinsic motivation of employees, so that they are motivated by their own internal mechanisms.

Increased job satisfaction is also a key goal, but it does not mean that it will automatically lead to increased performance. If goals of SC Alvvimar Comimpex LLC will not complete its employees purposes, it is unlikely that employees will work to achieve the organization's mission. We believe that employees will be motivated when they realize that their work will bring directly and reliably results to meet one or more basic needs: safety, respect, self-fulfillment, a sense of power. Consequently, to achieve a high level of performance, both at individual and organizational level, need the following:

- to establish a reward system at the level of the organization, according to its results or based on each employee outcomes. This system, however, is conditioned by the fact that all employees be familiar with the criteria for the rewards are granted.

- rewarding staff to be made gradually. Currently it is applied the biannual award of the employees (Easter and Christmas), but we believe that this system should be linked to certain personal achievements of employees. The prize pool should be planned and included in the annual budget of the organization. This timing of the prize pool reflects the organization's constant care for their employees, and that it has defined its own policy staff, a clear plan to involve human resources in achieving objectives.

- providing paid leave pet (value ticket off) is a very good reward because of the strong ties existing between the employee and the organization, he'll feel part of it even during his holiday.

- finally, to be allowed to purchase shares in the organiyation they work for the person; it would be an extremely motivating issue for employees because they'll work both for material rewards and for themself. Often, some of these issues amisses the management, that is content to believe that it only knows how to motivate people, that money is a great motivator, and when the latter does not take effect, fear becomes the best motivator.

These arguments support the view that, creating a work environment so that all employees needs are met, will lead to intrinsic motivation of employees, so they will be motivated by their own internal mechanisms.

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DESTINATION BRANDING: THE CASE OF SPAIN

María Luisa Blanco-Gomez[1]
Rey Juan Carlos University
Phone: (0034) 91-488 7562
Fax: (0034) 91-488 7780 marialuisa.blanco@urjc.es

Abstract

For many years Spain has been a touristic country attracting many people. In 2012, and compared to 2011, the number of visitors increased in one million getting to 57.7 million tourists, according to the Border Tourist Movement Survey (FRONTUR)[2], even outnumbering the population in Spain. Particularly from the 1960s the Spanish government has focused on Tourism, because it has been an excellent source of income. Since 2008 the situation has not been so good due to the economic crisis, which is why in order to improve the reputation of Spain, a new agency called 'Spain Brand' (marca España) was set up in July 2012 so as to improve Spain's image in front of the rest of the world. The purpose of Spain Brand is, the same as it happens with other destination brands, to attract customers from the rest of the world.

In this article we are going to focus on analysing several ways of branding and different marketing techniques as well as some advertising campaigns used in Spain throughout the years. We examine how Spain has become the fourth ranked country in the world, out of 140 countries, and how it has been recently rebranded. Nowadays things are changing due to the current economic crisis we are going through in this globalized world and we will analyse different branding strategies that have worked for Spain and that could be applied in other emerging countries as far as tourism is concerned.

Keywords: Brand building, country branding, marketing strategies, advertising techniques.

Introduction

Tourism has existed for a long time. According to Yeoman (2008), it is one of the world's major

economic success stories, a story that, like time, has no beginning or end. What all scholars admit is that

tourism has become a very important industry in many countries. Travel and Tourism is considered one of the largest and fastest growing industries in the world. In fact, in 2012 the Travel and Tourism Industry supported 260 million jobs and generated 9 percent of the world GDP, according to the World Travel & Tourism Council.[3] According

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[1] Maria Luisa Blanco-Gomez is a full professor in the Faculty of Tourism Sciences at Rey Juan Carlos University in Madrid (Spain).

[2] This information is available at http://www.lamoncloa.gob.es/IDIOMAS/9/ Gobierno/News/2013/ 20130122_tourism_data_2012.htm (Accessed 20 May 2013).

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to the UNWTO Barometer (UNWTO World Tourism Barometer, 2013) there were 1,035 billion international tourist arrivals in 2012, from over 983 million in 2011 (UNWTO Tourism Highlights 2012). Therefore, after the economic recession in 2008 and 2009, tourism has again experimented an important growth, which is something extremely positive for touristic countries, since tourism was recognised in the Manila Declaration on World Tourism (1980) as 'an activity essential to the life of nations because of its direct effects on the social, cultural, educational, and economic sectors of national societies and on their international relations.'

It is true that tourism is an industry that creates many opportunities for employment and also provides important amounts of income related to the goods and services associated to the tourism industry as there are many service industries directly related to tourism, such as transportation (airlines, taxis, coaches, cruise ships, etc.), hospitality services (accommodation in general), and other entertainment places (theatres, amusement parks, music venues, etc.). Therefore, it can be argued that tourism in itself is an important economic contributor.

Spain has always been a main tourist destination in the world. If we consider the World Tourism Rankings, reported by the World Tourism Organization, Spain has been ranked among the top ten most visited countries in the world since the 50s. Back then, Spain figured as the eighth most visited country in the world, but from the 70s to 2010 it has been the third country after France and the USA and for the last two years it is China which outranked Spain from the third to the fourth world position (UNWTO World Tourism Highlights 2013, July 2013), with 57.7 million international tourist arrivals. For a long time Spain has been attractive to tourists from all over the world mainly due to its summer resorts and beaches[4], but it should also be noted that there are many other important aspects that make Spain famous and that attract locals and international tourists to its cities and coasts. In addition, the Spanish government has tried to promote Spain throughout decades. In 2012 'Brand Spain' was created in order to achieve a better promotion of tourism in Spain and to improve Spain's positioning in a global market.

In the following sections we are going to examine the importance of marketing and advertising, since they are two crucial aspects when trying to attract new tourists or customers in general. We will also analyse the importance of country branding nowadays and we will have a closer look at the case of Spain and the development of tourism there as well as the different strategies Spain has followed many years in order to be successful in the tourism industry and the problems it has faced throughout time as well.

Marketing and Branding in the Tourism Industry

Marketing is a very widespread concept all over the world in business. There are many definitions of marketing[5]. According to the American Marketing Association (AMA),

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[4] Pack (2008) states that already in the 1830s sea bathing became fashionable in Spain, which points to the long tradition in visiting beaches and summer resorts.

[5] To see a large number of them, there is a good article by the actionable marketing expert Heidi Cohen that includes most, available at http://heidicohen.com/marketing-definition (Accessed 30 July 2013). [6] Available at www.marketingpower.com/AboutAMA/Pages/DefinitionofMarketing.aspx (Approved October 2007; Accessed 21 June 2013).

marketing is 'the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large'[6].

Another definition to be taken into account is given by Philip Kotler (Kotler Marketing Group, 2001-

2012), one of the world's leading authorities on marketing: 'the science and art of exploring, creating, and delivering value to satisfy the needs of a target market as a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services'. Much earlier Kotler (1980) also referred to marketing as 'satisfying needs and wants through an exchange process.' Likewise, Kyle (2009) refers to the Merriam Webster's

Marketing definition as 'the process or technique of promoting, selling, and distributing a product or service'.

In these three traditional definitions, marketing is seen as a process. But we still have products, regions and countries to sell. It is a process in which companies or nations raise the interest of their potential clients/tourists in their products and/or services or regions or countries. Nevertheless, in the 21st century we can find slightly different definitions for marketing. Davis (2012: 30) defines marketing, at a minimum, as 'developing, building, and sustaining a positive reputation for a given offering so that it attracts support from members of a marketplace'. In his recent book, Davis deals basically with sports and how sports marketing builds strong brands. In fact, another new definition of marketing points to the brand, to positioning as well as to differentiation, since building the brand is the key[6].

The American Marketing Association (AMA) defines brand as a 'name, term, design, symbol or any other features that identifies one seller's good or service as distinct from those of other sellers[7]', that is, a combination of characteristics intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition. Exactly the same that products have specific features associated with them, countries also have some unique values that make it different from the rest. We cannot ignore the fact that nowadays marketing is directly associated with branding. In tourism we can refer to Place Branding, a term that was introduced by the marketing guru Philip Kotler (Kotler et al.1993). As Kavaratzis (2007) states, in the last few years there has been a change from place marketing to place branding. Many pages have been written on place branding but one of the most prolific writers on

'nation branding' is Anholt (1998, 2003 & 2007 among others). Olins (2002: 247-8) argues that branding a country is similar to branding a product. It is true that a country is considered more complex than a product since it usually involves many more variables. It

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[6] A presentation by Triodos Bank (2010) is available at www.slideshare.net/bmmaShare/triodos-bank1980-kotlers-marketing-30-2010 (Accessed 2 August 2013).
[7] Definition available at www.marketingpower.com/_layouts/dictionary.aspx?dLetter=B (Accessed 30 July 2013).

should be highlight that a brand is a mental schema or idea for consumers and countries get their brand identity by delivering a quality product in a consistent way.

According to Kalandides (2011), place branding refers to something strategic in order to improve a place's image, that is, it tries to change the perception that people have of that specific place. It is true that when a person tells you where they come from you immediately have a mental image of that place, which is what place branding attempts to do, that is, to influence the mental perception that tourists have. Certainly place image has always been important in many areas, and as Papadopoulos (2004: 36) argues, these areas include 'tourism, country positioning in international relations, the protection of local producers from imports through 'buy domestic' campaigns and the export promotion of agricultural and manufactures products.'

Regarding a country's image, Kotler & Gertner (2002: 253) examine how the image of a country influences the opinion about that country and its products as well as the capacity to attract tourists, and they state that strategic place marketing mainly refers to 'the enhancement of a country's position in the global market-place'. Marketing and branding are directly associated and country branding targets foreign visitors. This is related to the position of a country in the world, and in the potential tourist's mind. As Kotler & Keller (2006) state, 'positioning' is the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market. The image plays a basic role but there are other aspects to be taken into account, such as quality and awareness, among others.

What is true is that every place has an image on the tourist mind. Nowadays there is a tendency to develop a 'place-brand strategy' (Dinnie 2004) to create the best image on the potential tourist perception. We should remember that the mental representation that tourists, and people in general, have of countries can be produced by different kinds of factors which are very influencing. Some of these factors can include from national stereotypes and advertising campaigns (word-of mouth), to personal experience or politics. An integrated marketing communications strategy is basic to get the perfect brand image. Thus, a brand image should create positive associations to the brand in the consumer's memory. There are many characteristics and values associated with a specific country but one of the important aspects, if not the most important one, in conveying a country's image is its people. As Papadopoulos (2011a) states, a

'place' could refer to many concepts, that is, a room, a house, a region, a country, etc. but not matter what it refers to, the important thing is that places are created by means of the people that live there.

Spain has an identity as a touristic country but we have to highlight that there is a difference between identity and image. According to Dinnie (2009), 'identity' refers to what something truly is, that is, its essence whereas 'image' points to something that is perceived. Therefore, there should not be a gap between these two concepts. Sometimes, we consider people from one country we tend to think of the stereotype that has become internationally famous (foreign people see Spanish people as bullfighters and flamenco dancers) but what governments should do is to try to reduce the identity-image gap, because the bigger this gap is, the more negative it is for a country's image.

For example, in accordance with a survey carried out by Dinnie[8] and presented in Athens 2009, the perceptions of Brand Spain amongst Japanese students aged 18-25 are based on the question 'If Spain was a person, what kind of person would it be?'. The answers were the following:

- Spain is a cheerful girl, she always smiles for everyone, she makes everyone happy.
- Passionate dancer. It is because the image of Spain is passion.
- A girl, aged 25 years old. Beautiful and sexy. Likes dancing and singing. She has 5 boyfriends who are waiting for the day they can date her.
- Man, 30 years old, wears red clothes. He is confident in himself.
- A man in his middle age drinking and singing every day, all day long.

Whether you agree with these answers or not, after having read this article, your idea about Spain might change since clichés are on many occasions very different from reality. Therefore, in order to reduce the gap between the image people have of Spain abroad and its real identity, next we are going to go through a brief history of Spanish tourism.

Evolution of the Tourism Industry in Spain: How Spain has become Spain Brand

The commitment of the Spanish Government with the tourism industry comes from the administrative management of tourism in Spain over a century ago. Since then, many diverse organisations have been created for the public tourism management. The roles of such organisations have had several functions, competencies and objectives depending on the historical and economic context[9]. As far as the history of tourism in Spain is concerned, there is an excellent article by Pack (2008), in which he goes through the main organisations and institutions associated with tourism in Spain since its outset.

At the beginning of the twentieth century, in 1905, we find the origin of the touristic administration in

Spain when a group of Spanish deputies established a 'National Commission to Promote Artistic and Recreational Excursions of the Foreign Public'. The advertising campaigns they created reinforced the

already existing image of 'sunny Spain' but they also contributed to make people aware of Spanish culture and Heritage. A little later, the marquis of Vega-Inclan devoted himself to restoring historic sites (for example, Toledo, home of the famous painter El Greco). The marquis was the leader of a group in favour of the state getting involved in promoting tourism. Later on, during Primo de Rivera dictatorship (1923-1930), thinking of tourism, major efforts were made to improve roads and public sanitation so that people had a better access to remote resorts and to the coast. In 1928 the first Parador[10] was inaugurated at Gredos by King Alfonso XIII, an exclusive mountain resort near Avila.

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[8] Dinnie is a professor at Temple University in Tokyo. Dinnie's powerpoint presentation 'Nation branding and country image: Opportunities and limitations of a media-centric approach' is available at www.gpsg.org.uk/athens/ docs/GPSG_Athens_2009_Dinnie.ppt (Accessed 29 July 2013)

[9] Information taken from Turespaña at www.tourspain.es/en-us/VDE/Paginas/HistoricoPTE.aspx (Accessed 25 June 2013).

[10] Paradors are state-run hotels and they are special since most are restored palaces, monasteries and convents or Arab fortresses and can be found throughout Spain and the Canary Islands.

Some other Paradors opened in the subsequent years (e.g. Ubeda). From the beginning a state bureau, the National Tourism Patronate, was in charge of the management of Paradors. This Patronate substituted the Royal Commissariat in

1928. Later on, the Second Republic (1931-1935) managed to get Spain to be part of the League of Nations Tourism Committee in spite of being a relatively unimportant country in world tourism. In his article, Pack (2008: 660) refers to a 'blend of cosmopolitanism and exoticism' as something capturing the foreign tourist attention.

Later on, the Civil War (1936-1939) took place in Spain, which interrupted the intensifying trend of leisure travel to Spain. During the Civil War there was a revival of the cult of St. James the Apostle, having as a consequence an important rise in the number of 'pilgrim-tourists' (Pack, 2008: 661) to visit his shrine at Santiago de Compostela. After 1936, with Franco's dictatorship, some ideas of his government were in conflict with the reality of international tourism and there were important barriers to free travel in Spain those years. However, by the late 1950s some Spanish diplomats recommended the convenience of softening the restrictions on entering Spain in order to gain political benefits since Spain had been quite isolated for some years. When World War II finished, the twenty years after that represented a good opportunity to make true the idea of setting Spain as an important tourism destination. In the mid-1950s Spain thought that the revenue coming from tourism could compensate the Spanish commercial deficit. Historical sites and unique cultural features have always made Spain attractive for foreign visitors but the tourism boom in Spain really started in the mid 1950s. In the 1960s with charter flights the cost of a Spanish holiday dropped dramatically for European consumers and many tourists started to choose Spain as their tourist destination, mainly for its beaches and summer resorts. Moreover, as Albert-Pinole (1993) states, another factor that contributed to mass tourism in Spain was the introduction of low price package holidays.

On the other hand, being Manuel Fraga the head of the Ministry of Information and Tourism, the Parador project was much developed in the late Franco period so that between 1963 and 1977, 60 new Paradors were inaugurated, bringing the total number to 95. Most of them were usually far away from beach resorts and wanted to make a difference with all the buildings and apartments in Benidorm and Torremolinos.

The consequence was that the 2.8 million foreigners to arrive in Spain in 1959 became 19 million in 1969.

Some years later, in 1978, the Spanish Constitution was passed and that Constitution established a difference between two distinct periods[11]. In the first period the Government wanted to promote tourism in Spain from a quantitative point of view. Later on, the competencies were transferred to the 17 Autonomous Communities existing in Spain and new policies are emphasized, based not on quantitative aspects but on other characteristics, such as quality, sustainability, knowledge and innovation. In this second period there are several national plans related to tourism and the last one is the Plan Nacional e Integral de Turismo 2012-2015 (National and Comprehensive Tourism Plan 2012-2015), which will be the basis of the touristic policies in future years and will be basic

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[11] Information from Turespaña at www.tourspain.es/en-us/VDE/Paginas/HistoricoPTE.aspx (Accessed 25 June 2013).

for tourism in Spain, always taking into account changing needs and challenges. Substantially, the objective for the 2012-2015 period is to increase the real touristic expenses in 20%. Actually, in 1981 the first International Tourism Fair (FITUR) was born in Madrid and since then it has been held annually. In fact, at FITUR 2014 next January, the WTO Prizes to Excellence and Innovation in Tourism will be awarded over there.

Being aware of the fact that Spain has always been attractive for tourists from all over the world, in 1991 the Spanish Government, by working together with the *Ministerio de Industry, Energia y Turismo* (Ministry of Industry and Tourism) and the *Secretaria de Estado de Turismo* (Secretariat of Tourism) decided to create TURESPANA (Instituto de Turismo de España- Tourspain Spanish Tourism Institute), which is 'an organisation to promote Spain as a destination abroad'[12] (Tourspain 2012).

Tourspain promotes Spain as a tourist destination abroad by means of[13]:

- Promotion and marketing of tourism products and destinations in international markets, in collaboration with the regional authorities (Autonomous Communities), local authorities and the private sector.

- Drawing up the bases of tourism policy, doing so in collaboration with other state organisations, public authorities and the private sector through the Sector-Based Tourism Conference (Conferencia Sectorial del Turismo), the Spanish Tourism Board (Consejo Espanol de Turismo) and the Interministerial Tourism Committee (Comision Interministerial de Turismo).

- Supporting Spanish tourism firms abroad and also expediting international tourism cooperation and relations.

- Drawing up plans and programmes to foster innovation, quality, sustainability and competitiveness of tourism products and destinations.

- Driving the modernisation of the tourism sector, improving its scientific and technological capacity and enhancing the effectiveness and efficiency of management processes.

- Strategy and investment of Paradores de Turismo de España S.A. (the company running the state-owned hotel network).

Tourspain carries out its activity abroad through the network of Spanish Tourism Offices, which depend on Spain's embassies and consulates.

Once we have shown an overview of tourism in Spain, we are going to make reference to the different Framework plans that the Spanish government has put into practice in the last 20 years and the different changes achieved in order to adapt to a changing world.

FUTURES I: Plan Marco de Competitividad del Turismo Español 1992-1995 (*Framework Plan of*

Competitiveness of Spanish Tourism)

This plan was designed by the State together with the Autonomous Communities. Its main objective was to set the necessary strategies so that tourism became an important part of the Spanish economy. This plan started a series of programmes which meant an

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[12] Information available at www.tourspain.es/en-us/Conozcanos/Paginas/Organismo.aspx

[13] *Íbid.*

important change in the analysis, definition and implementation of the touristic strategy. Such plans basically focused on quality improvement, human resources training, the introduction of new technologies and product diversification.

FUTURES II: Plan Marco de Competitividad del Turismo Español 1996-1999 (*Framework Plan of*

Competitiveness of Spanish Tourism)

After a detailed analysis of the efficient application of the first FUTURES plan, the second one goes on with the first one but it redevelops its approach by emphasizing the definition of a new model whose development criteria were based on coordination, sensibilization and co-responsibility and some other aspects such as sustainability are highlighted as well.

Plan Integral de Calidad del Turismo Español (PICTE) – *Quality Comprehensive Plan of the Spanish Tourism*

Unlike the previous plans, developed in the context of a deterioration of tourism in Spain during the 80s and the early 90s, the PICTE is framed within a period of recovery of the Spanish touristic sector and continues with the efforts previously made in search of such an improvement. Moreover, it coincides in time with the new programmes and initiatives of the European Union, in which we can include quality as a comprehensive principle, quality that refers to businesses in general, to destination management as well as to the application of environment sustainability criteria.

Plan del Turismo Español Horizonte 2020[14] (*Plan Horizon 2020 for the Spanish Tourism*)

The first years of the 21st century meant an acceleration of the transformations that had started during the previous years. The geographical and economic changes and in particular the technological ones demanded a pace change in all agendas in the political as well as the business context. The 2020 Plan answered the new demands of the situation focusing on the new knowledge economy, the positioning oriented to the customer and to the model sustainability, always prevailing the maximum collaboration of the sector agents and also a long-term vision.

Nevertheless, tourism, as any other economic activity, is extremely influenced by some unpredictable external agents. The structural changes derived from the 2008 financial crisis have had a strong effect on the world economy and as a result on touristic activity. Such a situation, together with the end of the economic cycle of the touristic industry has demanded a quick answer to implement those measures that let us activate a new trend in order to go back to tourism growth so as to guarantee leadership and competitiveness of the Spanish touristic model. Here is when the Plan Nacional e Integral del Turismo 2012-2015 was born. It is precisely in 2012 when Spain Brand was created, which is what we are going to analyse in the next section.

La Marca España (Spain Brand)

Apart from all the above-mentioned organisations related to tourism in Spain, the Spanish government has implemented a marketing plan in order to help to improve the promotion of Spain or Spain Brand.

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[14] To consult the original document visit www.tourspain.es/es-es/VDE/Documentos%20Vision%20Destino%20Espaa/Plan_Turismo_Español_Horizonte-2020.pdf

Tourspain's strategic Marketing Plan is a tool to improve the promotion of Destination Spain under the National Comprehensive Tourism Plan, which attempts to make the Spanish tourism revenue bigger and to help to increase the power of Spain's tourism brand. Within the Strategic Marketing Plan, five new product categories have been created in order to fulfill the different needs of visitors to Spain, five categories based on the criteria of competitiveness and attractiveness: relaxation, discovery, enjoyment, learning and meeting people[15].

Spain's Tourism Institute, (*Instituto de Turismo de España*) has been implementing promotion campaigns abroad, progressively shaping the image of Spain's tourism product. In 1982 the famous Spanish artist Joan Miró, seven years after Franco's death, designed a logotype, which was then adopted and has prevailed since then as a common feature in all promotional campaigns and it should be noted that there is no country that has used the same graphic image for such a long time. Lee et al. (2012) highlight that a country's logo is extremely important when trying to attract new tourists to a country. A logo must be appealing and should attract new tourists. And Spain's logo has worked for a long time. Referring not only to its logo but to its whole image, according to figures released by Bloom Consulting[16], a firm of consultants specialising in '*Marca España*' (*Spain Brand*) and other country brands, Spain is ranked second in the world in terms of having the best tourism sector brand (with an AAA score – very strong), after the United States alone (with an AA score –strong). This ranking analyses brand efficiency in 160 countries in the tourism and trade sectors[17].

In spite of this, and due to the world economic crisis from 2008, in 2012 '*Marca España*' (Spain Brand) was created. According to Kotler & Gertner (2002: 249), brands are considered 'a marketer's major tool for creating product differentiation', which is what any country is looking for when creating a brand for their country. Last year Spain worked a

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lot in order to 'create loyalty among tourists', according to Jose Manuel Soria, Minister of Industry, Energy and Tourism. Soria underlined the strength of tourism, one of the drivers of the Spanish economy[18]. This is somewhat related to the non-correspondence between

Spain's image and Spain's identity. As the Minister of Foreign Affairs, Garcia-Margallo, affirms, 'The

Spanish reality is much better than the image that prevails abroad,'[19] which is why Spain is trying to make an effort to again attract a higher number of foreign tourists. In the same line, in December 2012 Carlos Espinosa de los Monteros, High Commissioner for *Marca España*, affirmed that 'Spain's image abroad is

'very solid' and 'respected', adding that 'the negative impact of the economic crisis on the country's image are circumstantial and will not affect its permanent value.'[20]

But how is Spain Brand different from what there existed before 2012? Let us define 'Spain Brand'. The Ministry's webpage defines it as follows: Spain Brand is a state policy whose efficacy will be proven in the long term. Its objective is to improve the image of our country domestically and abroad since in a globalized world, a good country image is an asset that helps to support the international position of a political, economic, cultural, social, scientific and technological state[21]. Spain Brand attempts to promote all of Spain positive characteristics (history, art, culture in general, international fairs, religion, beach and sun tourism, sports, cuisine, etc.) at an international level, which will attract more tourists and will contribute to boosting exports, to attracting foreign investment, which in short will make a contribution to Spain's economic recovery, since as Kotler & Gertner (2002: 251), highlight, 'A country's image results from its geography, history, proclamations, art and music, famous citizens and other features'. On the other hand, Loo & Davies (2006: 198) relate countries with brands, as we can see as follows:

Every nation is a brand and most nations have had their brands made for them. The nation brand could have been developed deliberately or by default, formed from a myriad of different sources, such as word of mouth, education, mass media, travel, product purchases and dealings with its people'.

Even though Spain Brand was officially created in 2012, one of the most important newspapers in Spain, EL PAIS, in an article from May 2012, once Spain Brand was officially created, assures that 'If you look it up in the archives, the expression '*marca España*', or Spanish brand, appeared in this newspaper for the first time in 1985, in a column written from the United States by writer, journalist and economist Vicente

Verdú[22]'. The same article refers to the Ministry of Foreign Affairs at that time trying to 'present a new marketing strategy aimed at polishing up Spain's tarnished image abroad.' Thus, marketing and branding are related and it is known that a good brand positioning is

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[18]   See   http://marcaespana.es/economía-empresa/turismo/artículos/332/spain-s-leadership-in-the-tourismindustry

[19] Taken from www.tumbit-com/news/articles/7477-foreign-minister-defends-image-of-spain-abroad.html (Accessed 4 August 2013).

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[21] http://marcaespana.es/en/quienes-somos/que-es-marca-espana.php

[22] Information taken from http://elpais.com/elpais/2012/05/13/inenglish/1336914979_545825.html (Accessed 6 August 2013).

extremely important for the successful promotion of Spain as a destination. So as to improve the image of Spain abroad the government should develop advertisements that have high-impact on people's minds so that they change the mental

representation they have and they create a desire to visit Spain and to invest in Spain.

In order to understand how Spain has become a successful touristic country, in the next section we are going to analyse some of the important aspects promoted in several advertising campaigns as well as the different advertisements used throughout the years.

Advertising Campaigns to promote Spain throughout the years: Spain, something else than sun and fun

Advertising in tourism is not a recent phenomenon. Pack (2008) refers to the fact that in the 1860s some French and Swiss hoteliers started the first campaigns in order to attract international tourists, something that Spanish resorts imitated a little later. As Pack (2008: 657) goes on highlighting, 'Soon after 1900, Spanish elites began to conceptualize the tourism industry as a regenerative force for economically and socially stagnant regions, anticipating what would become an axiom of development economics worldwide by the end of the twentieth century'.

Some years later, during the 60s the well-known slogan 'Spain is different' emerged from an advertising campaign lead by Fraga Iribarne, the Minister for Information and Tourism between 1962 and 1969 - still under Franco's dictatorship. One of the main characteristics associated to a good slogan is the idea of being catchy and this slogan has proved extremely catchy and appealing since it has worked since then. In fact, when trying to rebrand Spain, the slogan is in 2012 'Spain Brand is different'. Slogans as well as logos and different kinds of advertising (advertisements, posters, slogans, etc.) usually try to influence the idea people have of a country.

In 1983 Miró designed Spain's logo following his style, he used many colours but every colour has one different meaning: Black and red refer to the skin and the blood of a bull; red also means passion; yellow points to the Spanish sun, and green (greeny Spain) to our fields and prairies, that is, the colours of Spain from north to south. And the asterisk is something that always tries to call your attention.

Spain has always been a very appealing tourism destination. Beach and sun tourism has been the most successful in Spain from the 60s onwards. This kind of tourism was the first to be developed in Spain because the country became very popular for British and French tourists as well as for people coming from Scandinavia and Central Europe, where the climate is not so warm. Sandy beaches and summer resorts are not only popular for Northern European citizens but for Spanish people as well. In Spain we can find many resorts in the Mediterranean Sea and the Atlantic Ocean as well the Canary Islands and the

Balearic Islands, which is why Pack (2008: 665) refers to the 'Spanish guarantee of virtually uninterrupted sunshine'.

It is crucial to highlight that Spain has an important place in the world as a leader and innovator in business, culture, sport. The current image of Spain is distorted and its identity is somewhat different from its image abroad. We should remember here that in the world ranking (10th country in the world) and 2nd getting revenue from tourism after the United States. Therefore, it can be said that the image of Spain or Spain Brand abroad is not a realistic one since, apart from summer resorts and beaches, which is one of the most popular kinds of tourism in Spain, many other types of tourism can be found as well:

Business tourism is also crucial in Spain: different kinds of businesses and many international fairs are held every year; in fact, FITUR, the International Tourism Fair is being held in Madrid since 1981. In its last edition, January 2013, the number of participants reached 207,239 people, taking into account the tourism professionals (64,473) and other visitors (91,082) plus authorised journalists from all over the world[23]. Other businesses in Spain are related to gastronomy and wine; for example, it should be noted that Spain is reported to be the second largest wine exporter in the world and to have the best restaurant of the world is in Spain[24].

History in Spain is another important asset because there are numerous historical cities (Madrid, Barcelona, Seville, Salamanca, Valencia, Cordoba, etc.). It should be underlined that many Spanish cities and towns are recognised as World Heritage Cities (e.g. Segovia, Santiago de Compostela, Avila, Salamanca, Cuenca, Toledo, Ubeda & Baeza, among others). There are also 44 World Heritage Sites designated by UNESCO - ranking third after China and Italy-, which promotes cultural tourism in Spain.

For instance, the Alhambra Palace is considered one of the world's greatest buildings, and Spain is also considered for its art, culture, literature, etc.

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[23] www.ifema.es/fitur_01/Informacion_general/datosultimaedicion/index.htm
[24] El Celler de Can Roca of the Roca Brothers in Girona, Spain, has been recognised as the best restaurant of the world in the World's 50 Best Restaurats Guide 2013, available at www.theworlds50best.com/list/150-winners/el-celler-de-can-roca/ (Accessed 10 August 2013).

In Spain we find much art and culture. Let us point to the Golden Triangle of Art in Madrid (Prado

Museum, National Museum 'Centro de Arte Reina Sofia' and the Thyssen-Bornemisza Museum) or the ultra-modern Guggenheim museum in Bilbao. Many other museums could be mentioned, such as the

National Museum of Anthropology, the National Museum of Natural Sciences, the National Museum of Decorative Arts, the Museum of Lazaro Galdiano and we can also highlight CaixaForum Madrid, which is a post-modern art gallery in the city centre, where you can find many extremely interesting exhibitions throughout the year. For example, in 2013 The Reina Sofia Museum has offered from April to September a fascinating exhibition on Dalí's paintings[25], which has got a high number of visitors.

Going on with culture in general, it should be noted that at their website, the Spanish Ministry of Education, Culture and Sport has a section entitled 'Cultural Cooperation and Promotion Abroad'[26], since as they underline on their webpage, cultural action abroad is one of the most important elements of public diplomacy and has the objective of projecting an image of Spain or Spain Brand which corresponds to the country's multifaceted cultural reality. Like the Ministry of Industry, Energy and Tourism, the Ministry of

Education, Culture and Sport has implemented a General Strategy or Plan 2012-2015 (of the State Secretariat for Culture), whose priorities are:

- To promote Spain Brand by delivering all its cultural aspects, including diversity, creativity and cultural heritage.

- To promote the teaching of the official languages of Spain and their cultural-economic value.

- To create unique exhibitions related to cultural events.

- To promote excellence in cultural tourism as a factor contributing to both the Spain brand image abroad as well as to its economic growth[27].

In fact, Victor Garcia de la Concha[28], the head of the Cervantes Institute -which tries to make foreign people aware of the Spanish language and culture- has commented that he has received many offers to open centres in many countries, although at the moment there already exist 44 centres in 77 countries. It should be noted here that in trying to promote a country, there are several approaches that can be adopted. We have referred to country branding above and the different aspects to be taken into account. As Kaneva (2011) stresses, when dealing with nation branding, she refers to technical-economic approaches, political approaches and cultural approaches. Country branding is a global phenomenon and if some strategies work in one country they could be applied to another, but always bearing in mind the possible differences between their audiences and the distinct possibilities both countries offer. As we have highlighted above, at the beginning, the main element to promote Spain was its sun and beach resort but it is true that Spain's cultural, political and economic global standing has improved dramatically over the past 25 years and maybe other emerging countries should pay attention to the different techniques used by Spain and try to apply them by getting the most of their own touristic resources, depending on the country.

Having to do with culture and tradition and among other popular aspects of tourism in Spain, we can refer to many traditional festivals which are held every year in different parts of Spain: one of the most wellknown ones is the Seville April Fair, the Rocio Pilgrimage in Huelva, the Holy Week in Seville, the famous Running of the Bulls in

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[26] Information available at http://en.www.mcu.es/cooperación/CE/Internacional/Accion CulturalExterior.html (Accessed 6 July 2013).

[27] *Íbid.*

[28] Interview to Victor Garcia de la Concha, Head of the Cervantes Institute available at www.revistamercurio.es/index.php/revistas-mercurio-2012/mercurio-143/807-08entrevista-con-victorgarcia-de-la-concha.

Pamplona every year in July, the Fallas in Valencia, the international Descent of the River Sella in Asturias, or the Carnival in the Canary Islands or in Cadiz, among others.

We can also mention The Malaga Spanish Film Festival or The Sitges Film Festival as well as the famous San Sebastian International Film Festival. Some examples of posters promoting this are shown below but we should notice the difference between the first one, which corresponds to 1962, and the second and third posters, which were included in the 'Spain marks' advertising campaign.

Many people think of Spain as far as international events are concerned: the 1992 Summer Olympics in Barcelona, The Universal Fair in Seville in 1992, the 2007 America's Cup in Valencia and the Expo 2008 in Zaragoza. Moreover, several Spanish cities have been or will be the European Cultural Capital, such as Madrid in 1992, Santiago de Compostela in 2000, Salamanca in 2002 and San Sebastian in 2016. The nightlife in Spain is also attractive for tourists, many people travel to Ibiza and Mallorca since they are known as major party destinations in the summer time and Madrid is also famous for its never-ending nightlife.

Religion is also important in Spain since Spain was for years a melting pot for Catholicism, Judaism and Islam. The city of Santiago de Compostela in the north-west of the peninsula became a place for pilgrims and currently it also attracts many tourists from all over the world. Easter time is also very important with many religious processions attracting tourists, who can also visit from gothic cathedrals (e.g. Burgos or Leon) and Romanesque churches (Fromista, Tamara, etc.) to Moorish baths, Mosques.

All these aspects are highlighted in Spain and had always been for a long time but during many years the slogan to attract foreign visitors had been 'Spain is different', pointing to its uniqueness[29]. That was this first famous touristic slogan in Spain but it was really at the beginning of the 1980s when real and more modern tourist campaigns started to be developed. We can mention the following ones:

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[29] Blain et al. (2005) refer to the fact that different destinations use branding techniques to emphasise that their product is unique, which is what this slogan intends.

- *Everything under the sun*, from 1984 to 1990, with Miro's logo. During this period the main advertised product in Spain is its beaches and sun but there are other products, such as its gastronomy or cultural tourism, which are also highlighted.

- *Passion for Life*, which lasted from 1991 to 1994. Here advertising in Spain starts to change and people begin to diversify touristic products but a new lifestyle is established having to do with the Spanish feeling and with people's mood on holidays, that is, passion.

- *Spain By* (1995-1997) was a peculiar campaign in the sense that different well-known photographers at an international level took pictures and showed their vision and idea of Spain; then, we can find 'Spain By Erwitt', 'Spain By Ritts', 'Spain by Leibovitz', among others.

- Later on, we can find the *Bravo Spain* Campaign (1998-2001), in which we can find apart from distinct destinations, the different touristic products, such as culture, golf and not so much sun and beaches.

- *Spain Marks* (2002-2003) was a very visual type of campaign trying to promote Spain's diversity and it showed a more conceptual kind of creativity, as can be seen in some examples[30].

Spain Marks tried to convey the idea that if you visit Spain, that will 'mark' you forever. In fact, Spain is the fourth on the list of highest number of visitors, the second in highest revenue coming from tourisn but it is the first country in repeated visits to a country, which probably means that Spain 'marks' every person that visits it since it has a strong personality as a country.

As Ekinci et al. (2007: 433) state, the 'host image has a positive effect on intent to return', which means that Spain's image is not so distant from reality.

- The *Smile! You are in Spain* campaign[31] (2004-2009) tried to transmit the idea of happiness and the good feelings you get when you are in Spain (Tourspain designed 34 posters for this campaign). In this campaign, for example, Pot (2005: 41) analysed the 34 posters and the effect they caused in the Dutch market and she got to the following conclusions:

o Spain suggests an own way of feeling and living life with its values of hospitality, taking care of, human warmth, slow pace of life rhythm, freedom and security, joy, relaxedness, enjoyment of life.

o Quality and cultural proximity are also valued by tourists. These characteristics answer more rational motives. Spain differentiates itself with a high quality of infrastructure, a high quality of service, security, geographical and cultural closeness and the balance between traditions and modernity.

o Through the smile, a personalized offer is intended to be transmitted. A destination that knows the profile and tourist demands, knows how to make them smile by offering the right product and service.

o The rich diversity is the third aspect of Spain's offer which is highly appreciated by the market. So, diverse products are presented.

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[30] Some examples of this campaign can be seen at www.siteespagnol.fr/Spain%20Marks/index.html.

[31] You can find some images of this campaign at www.tourspain.es/es/ TURESPANA/Ejes+operativos/ Imagen/Listado+imagenes+Publicidad+intern

- *Spain. 25 years beyond the sun* is another campaign in which Tourspain wants to celebrate Miro's logo 25th anniversary. This campaign was very brief -it lasted only three months-, very specific, it tried to show that this country is much more than beaches and sunny weather and it was simultaneous with the generic advertising campaign.

- Finally, *I need Spain* is the slogan for the most recent campaign, which started in 2010.

In these campaigns we can highlight the emotional aspect of all of them, which is extremely important and something related to brand saliency, which has been defined by Pritchard & Morgan (1998: 215) as 'the development of an emotional relationship with the consumer through highly choreographed and focused communication campaigns'. All the words used in the campaigns mentioned are quite seductive and appealing: 'smile', 'marks', 'passion', 'bravo', etc., which also points to a certain extent to the Spanish way of living. In fact, in her study, Pot (2005: 69) refers to Spain's personality as a country -in this case for Dutch people- and it is described as 'being warm, outdoorsy and active'.

Going back to Spain's uniqueness, we should comment that *Spain is different* has been recently rebranded as *Spain Brand is different*. This is associated to changing the image that Spain has abroad, which does not always corresponds with reality. To a certain extent this change could be labeled as a

'cosmetic operation' (Kaneva, 2011: 118) when trying to change the image of a country, that is, this is made basically so as to change the perception of a country and its products.

It should be highlighted that the emotional creation of Spain Brand has again made use of 'emotional branding' since the building of 'Spain Brand' aims at maintaining and reinforcing the different campaigns in order to broaden its recognition and positioning at the international touristic market; at getting an evolution of the image of Spain as a touristic destination which overcome the main idea that people have of Spain mainly related to sun and beaches adding other assets linked to other kinds of motivation, that is, cultural, artistic, historical, etc. (even fashion & gastronomy), which is why regarding country branding Caldwell & Freire (2004: 59) point out that 'countries are so functionally diverse they should leverage the emotive or representational parts of their brand identity'. When dealing with destination branding, countries or regions are treated as brands. Countries are intangible products which could be defined as a group of different characteristics including history, culture, nature, people, food, products and the language used, etc.

Another important idea we should stress is that we are in the Internet era, which is why in order to reinforce Spain's advertising in newspapers, television and tourism magazines and other traditional media, in June 2011 Tourspain decided to start a new communication campaign in digital media as well. As it has been mentioned above, Spain is the first country to which people come back some time or another. In fact, 85% of all foreign visitors come back sooner or later, which made Tourspain think that a good idea could be to create an Internet platform called 'Spain Addicts –Ineedspain.com[32]'. Through this campaign the main objective is that all visitors became excellent ambassadors of Spain Brand by means of their own and personal experience. In this sense, Juan Guerrero from Segittur (Tourism & Innovation) described the project 'Spain, a country to share[33]', which tries to show the satisfied face of the tourists that have already visited Spain. Therefore, satisfaction is directly related to advertising since, as Simpson

& Siguaw (2008: 167) state, 'satisfaction and identity salience are significant in predicting word-of-

mouth promotions', which again points to the important role of the tourist travelling to another country.

Papadopoulos (2011b), at an interview, affirmed that branding campaigns, to be successful, should entail 'long-term commitment' and this is the way of attracting tourists.

Going on with new technologies, as far as Spain is concerned, in the last few years some online marketing has also been used to promote Spain Brand; for example, we can find Ipad and Iphone apps, a YouTube thematic channel and other online media, such as facebook Flickr –the best online photo management and sharing application in the world- among others.

So far we have seen the origin of tourism in Spain and how the image of Spain has gone through different stages, using several advertising techniques which were adapted to distinct situations in 50 years.

Conclusion

Tourism as a global phenomenon is not going to slowdown in the short term. On the contrary, as the UNWTO (Tourism Highlights 2012, UNWTO) stresses, travel is

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[32] See www.ineedspain.com

[33] http://e-turismo.blogspot.com.es/2010/03/i-need-spain-la-imagen-del-turismo-de.html

something necessary so as to maintain international relations, which is reflected in the number of tourists recovering from 6.6% globally in 2009 growing to 8% in emerging economies.

As it has been mentioned above, tourism in Spain originated because citizens for Central and Northern Europe were looking for sunny weather and nice coastal areas, which they lacked and which Spain had at the moment. But many decades after that kind of beginning, different governments have made great efforts in order to attract tourists being aware of the fact that tourism is an important source of revenue.

Tourism has always been important to the Spanish economy (in fact, it is a pivotal industry to Spain's economy since it accounts for more than 10% of its GDP) and the government has recently tried to rebrand Spain by officially creating Spain Brand.

Brand positioning is highly important on an international level in a globalised world and the concept of positioning is crucial as for brand management and strategy. In the case of Spain, if branding is basically based on beach resorts and sunshine, the promotion is not going to work. Thus, tourism campaigns should emphasise other aspects, such as cultural, artistic, social, environmental issues, which is what Spanish governments have been doing for the last decades. Another important concept is brand awareness, which refers to brand recognition (that is, recognizing a country, Spain) as well as brand recall (recite from memory the brand in a product category, for example, Spain for wine). In an article by Vijay Krishna (2011), professor and coordinator of the advertising programme in Indiana University Southeast, he argues that a country must create brand awareness by repeatedly exposing the brand in the minds of the consumers for later recall. Spain could serve as an example as a country brand that has worked but it should also be noted that every country should develop its own original country branding strategy depending on the features and values that a specific country can offer.

It is admitted that leaders in the whole world have to always adapt to a changing world. By creating

'Marca España' (Spain Brand), the Spanish government has tried to use branding techniques so as to distinguish Spain from other competitors and to recover the image Spain used to have before the economic crisis and to improve its position on the global tourism stage, since to rebrand the negative image of a country is a huge challenge. It is generally admitted that a positive country image usually helps to bring back international credibility. And country branding does not only refer to a general image abroad but to many specific aspects, including economic, social, political, historical and cultural issues, among others, which is why currently in addition to beach and sun tourism, Spain is a major cultural destination. Spain is unique and beyond comparison as far as international meetings are concerned. Sports also account for an important aspect as well as shopping, wine and food tourism or simply studying Spanish is crucial since Spanish is the second most spoken language in the world.

As it has previously been stressed, in the 21ˢᵗ century there are many kinds of technologies available to governments so that they can make use of them in order to promote a country and the characteristics and values associated with it. Some emerging touristic countries should take the opportunity of creating their identity or brand to prove

their uniqueness[34] and competitiveness in a globalised world. Most governments promote travel and tourism since this is a top priorit; as in the case of Spain, new advertising campaigns should focus on boosting credibility and the positive aspects of one country since a positive image is crucial both to attract tourists and to get new foreign investment.

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[34] The Triodos Bank presentation (available at www.slideshare.net/bmmaShare/triodos-bank-1980kotlers-marketing-30-2010 and accessed 2 August 2013) refers to positioning the brand in the head of the client. The product/country has to be unique and relevant.

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ROLE OF TOURISM IN INCREASING OF PRICE OF LAND AND HOUSING IN IRAN (CASE STUDY : SHAHMIRZAD CITY)

Hamidreza Joodaki[1]
Sara farzaneh
Jaleh Afshar Qhazvin

Abstract

Tourism industry is considered as the greatest and most various industry in the world. Most of these countries know this dynamic industry as main source of income, occupation, growth of private sector and development of infrastructure.

One of the old methods of investment in countries such as Iran have transitional economy, is buying land and house, sometimes is resulted to high profit and of course for this reason hustler's are very interested in this background. Nowadays buying and selling land in the areas with pleasant climate in our country is considered.

Since, Shahmirzad is a city with fair and desired environmental attractions is located in the border of deserted cities, mainly has special climatic position and these conditions are resulted to attraction of passenger, tourist for passing their leisure hours from Semnan and other cities of the area and from other provinces in hot seasons and with regard to these suitable conditions in the city buying land and housing also have been considered by most of residents of Semnan and cities around Shahmirzad by now.

The aim of present research is investigation the role of tourism in increasing price of land and housing in Shahmirzad city. By studying on price of land and housing especially in central area, that gardens of the city are located in this area, we have concluded that role of tourism have caused in price of land and housing specially these prices in central and old areas are more expensive than towns around the city.

Key words: Tourism, Climate conditions, Price of land and housing, Shahmirzad

Introduction:

Tourism as an altered economic activity in a single product economy can accelerate trend of development by making variation in national economy (Papoli Yazdi, Saghaei, "2006", p 82) specially developing countries, i.e., where another economic forms, such as production or excavation is not cost-effective or have not so important role in the field of trade and commerce, development of tourism industry is very considered (Soboti, Mohabat, "2008", p1). Countries such as Iran, main part of its foreign exchange resources are depended on oil and in one side have potentials and historical, cultural and social attractions, development of tourism industry could be very useful (Beik Mohammadi,

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[1] -Islamic Azad University , Islamshahr Branch(joodaki@iiau.ac.ir)

Hossein, 2000,p 248). Growth and expanding of tourism is one of the most phenomena of the late 20th century which continues speedily in new century. Mountainous areas are the most important backgrounds which are utilized in the field of tourism and related activates severely and by continued evolution in the field of use of lands are counted to its consequences. (Rezvani, 2003, p 67) Tourism and making second house, especially, in the areas with pleasant climate there are houses are used provisionally and in a period of year for entertainment and leisure intensions (Davis and Farell, 1981, p 163). Second house tourism is one of the models and tourism development especially in mountain areas which are resulted from development of ownership of second house (country house, vacation, Vila) and lately are prevailed in mountain areas. (Williams , Hall, 2000, P 24) This trend also is expanding as reaction against crisis in tourism areas resulted of agricultural structure renovation (Diter, 2002, P 243).

Since, there is interaction between tourism and natural environment and economic-social activities; it might have positive and negative consequences.

In this article we try answer this basic question that what effects and consequences have had the development of tourism, in increasing of land and housing in the area. And for stable development of tourism in this city what strategies is necessary.

1- Effects of Tourism in Urban Areas

With regard to nature of tourism activity and its close relation and interaction with various economic, social and cultural activities, naturally its effect can be very various and expanded and especially have deep effects on local environment and host community.

Effects of tourism causes using of another ways for development of tourism; conceptions such as subordinate tourism, responsible tourism, flexible tourism, tourism fit to green tourism as planned as events for decreasing of negative effects of tourism. In 1990s because of increasing attention to environment, these events are more evolved in planning of tourism and acknowledged tourism development have encountered to expanded entertain.

Social-cultural effects of tourism could be positive or negative. In the areas where tourism is increasing, positive and important cultural-social effects of tourism in native communities are: self-efficiency and promotion of local economy, more regard to local community and their culture, further investment in tourism income in cultural resources, strengthening and continuation of cultural traditions, increasing of tolerance conception among cultures specially through playing music, representation of local arts, type of nation life, housing and other experience of life.

Negative effects of tourism on local community includes depriving of some welfare benefits for host community, pressure of demand for rare resources such as drinking water, more dependent of host areas to tourism, unfair behavior and lack of cultural sensibility of tourists (Irangardi and Jahangardi Organization, 2000, P. 126).

Another kind of tourism in fair areas of tourism is tourism of second house which the same as another models of tourism could have various effects on tourism areas. In some cases these effects are suitable. For example old houses in these area may be renewed or altered into new houses in addition of beautification of cities, provide provisional and permanent occupation field of people and increase local incomes and make another facilities.

Nevertheless, development of second house ownership could have negative effect on urban areas. In this relation Wall and Smith (1982, P. 136) believed that development of second house could damage to environment by removing visual beauty and destruction of plant covering. Really development of these houses decrease facility of making house for native people (Matison andWall,1982, P 29). This case is more obvious in the areas where limit housing planning policies.

Also increase in demanding buying house in these areas, decrease the price of houses to the extent that native people are not able to buy house; therefore youth for residential problems in local communities, immigrate to cities and therefore the order of social structure of these areas are disrupted (Rezvani, Safaei, "2005" , P. 118).

2- Geographical Position of Shahmirzad City

Shamirzad city is located on 24 km of north part of Semnan and surrounded by rural areas from north, east and west and Mehdishahr city is located in south of this city.

This city is located on 24 km of Semnan and geographically is located on 20-53 eastern longitude and northern latitude.

The area of Shahmirzad in "2006", 723.4 Hectares and its height of sea level is about 205 m.

Population of Shahmirzad in "2006" has been 7382 person. In hot season, summer vacations at the end of the week reach to 30000 person (Hamkaran Consultant Engineering, 2006, 35).

3- Recognition of Existent Recreation Centers and Tourism Attractions and Entertainment Capabilities in city and around it:

Shahmirzad in width of Semnan Province have important and fair potentials for attraction of tourism in the area and super-area. National varied, historical and cultural, etc. are unique specialties of Shahmirzad that differences this city from the cities around itself. This attractions are: The biggest walnut gardens of the World, Sheikh Cheshmeh Sar Route, Bolbol Darreh, Sheikh Cheshmeh Sar, Decrease Route, Shirghaleh, walnut big garden which in this case have been known in this consideration as important pole of walnut of Iran on behalf of FAO (Cultural Heritage of Semnan Province, 2008, P. 2) and also locating this city with pleasant summer weather, mountain topography, pretty plant covering, clear springs, pretty and surprising caves in the heart of desert with limiting and threatening of manner of living specifications in it are the most important features of this city, following we will pay them.

Shahmirzad urban area with special climate (semimoisture and cold) and environmental sensible conditions (existing of preserved areas such as Parvar) near Semnan is located as a pole of tourism and passing leisure time in hot and hard climate conditions.

The most attractions of this city are:
- Natural and climate attractions
- Historical and Scale attractions
- Social and Cultural attractions
- Economic attractions

3-1 Investigation of Natural and Climate Attractions

Comparison of weather and geographical condition of Shahmirzad with area around it shows significant differences.

Shahmirzad climate weather feature which is affected of main elements and heat and present situation. In other word locating of Shahmirzad with god weather and pleasant landscape in the border of heated plain has give a special position to this city and has caused that this city receive rural residents and tourism from around and far and close cities.

Existence of heights with various plant covering is another important potential of Shahmirzad's tourism. These heights meanwhile has super-areal role in the case of attraction of tourism and passing leisure time, and in other word mountain climate in one side, plant covering fit to trees with needle leaf in these heights are useful and effective for breathing disease.

Also existence of rivers, springs, streams, which are flowing in alleys of this city are of other natural valuable Shahmirzad source to attract tourist. Water resources of this area also as the other areas are related to geographical, topographical, climate, direction of slope of land factors and conditions. Sheikh Cheshmehsar and Haft Cheshmeh (Seven springs) are the most famous springs of north west of Shahmirzad. The water of these springs in addition of providing drinking water of (Shahmirzad city and village around it), is flowed in the bed river and is used in agriculture.

Plant covering of Shahmirzad city also is under influence of climate and geographical various factors and provided unique natural landscapes for tourists. And also width leaf plant aspects such as: Acron, Rash, Toska, barberry, etc. and medicine plant such as Barijeh, thyme, needle leaves trees such as ….. there are in the area (Mozhda Consultant Engineering, 2006, P. 45).

Darband cave in 3km of south of Shahmirzad also is accounted as attractions of the city. This cave is located in the hearth of pretty stone mountain in the name of Lahard toward east. Darband pleasant area, very pleasant weather since the middle of spring, up to the first of autumn, landscape of big garden of walnut of Shahmirzad, existence of green area of valley and restaurants on valley and suitable connecting way are capabilities of Darband area.

In the case of space, this cave is one of the most pretty and watchable cave of Iran, effective in attraction of tourism. (Cultural Heritage Organization of Semnan Province, 2008, P. 19).

3-2- Historical Attractions

City of Shahmirzad, in addition of natural attractions, also has historical places. These historical buildings are constructed on slope of Alborz Mountains. Shirghaleh, Ghaleh Sheikhi and Vahal Castle are the most important historical building of Shahmirzad. Shirghaleh Castle is located in western part of Shamirzad upon impracticable rocks. According to history of Ghomes, Shirghaleh has been one of the shelters of Ismaeilieh period. Vahal castle or Shahmirzad stone castle is located over the mountain and beside fruit and walnut gardens which all is made of stone and grouy. Generally this castle is

established of two circle tower as guard tower and its stone walls, where probably in past it had have 4 tower but they are ruined gradually. Vahal Castle also is of historical works, before Islam. These historical buildings can be effective in attraction tourism.

3-3- Investigation of Cultural-Religious Attraction

Shahmirzad in addition of historical and natural attractions, has complex of religious and cultural buildings and has its special social and cultural behavior, tourism during using natural attractive and pleasant environment can visit cultural-religious attractions. Cultural and religious places of Shahmirzad are: Jamea mosque, shrines, religious ceremonies and various customs (Mozhde consulting engineers, 2006, P. 58).

Jamea mosque is one of the cultural-religious attractions of Shahmirzad where is attractive for people who are interested in historical buildings. This historical-religious building is located in the center of the city. Foundation of this mosque is wooden and at first various wooden beams are installed on the ground and then various nails are installed on beams for restraint and lath of mud and stone.

Inside covering of ceiling of mosque, it is also inspired of nation and traditional environment and architecture. Oldness of this building on the basis of historical narrative reaches near the end of 18 A.H.

Shrines and religious places in Iran because of penetrate of heavy religious believes in people are very important. These places are of tourism and slightly attractions of each area. Shahmirzad in comparison with another religious cities is lack of powerful and strong religious attractions. But shrines in this place is considered by people of this area. And in vacations, weekend and funeral ceremonies receipts a lot of tourisms.

Abdollah, Yahia, Mohammad Shrine and Sheikh tomb are the most important shrines in Shahmirzad.

Sheikh Soosan tomb is one of the shrines in Shahmirzad, located in center of the city and near Ghaleh Sheikhi. Oldness of it reaches to Ilkhani period. This tomb is considered by resident of the area and season tourism and on funeral ceremonies, religious festivals and weekends, the number of visitors increase.

Holding funeral ceremonies in Shahmirzad has historical record. In first ten days of Moharram the people who visit these ceremonies are over 20,000 persons who come from around the city and area.

This issue in point of view of planning for development of tourism is very important and should be considered as one of the tourism attractions and opportunities of Shahmirzad (Hamkaran Consulting Engineers, "2006", P. 58).

In 2007, according to Semnan cultural heritage statistics, number of tourisms has been 13617 persons that 80 persons of which were foreign tourist and 13537 persons were internal tourist that in fact this statistics is except residents of Semnan.

Map No. 1: Tourism places in Shahmirzad city.
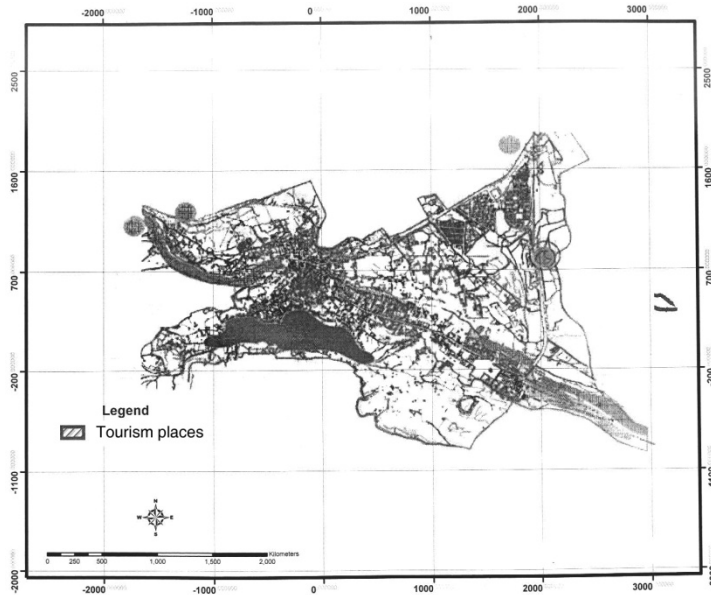
4- Investigation and Studying Model of Price of Land and Building in Shahmirzad

4-1- Change of land and housing price is most identical effects of tourism division on characteristics of using land of the city. This changes in two form of directly or indirectly is related to development of tourism.

A) *Indirect relation:* Since middle of 1980s to next, increasing number of tourists, has increased the rate of demand for goods and services. This issue caused promotion of commercial-services activities in the city and consequently the price of land and trade units especially across main streets of the city severely have increased.

B) *Direct relation:* Demand of tourist for structuring Vila or buying land is added the cost of land and Vila in the city. This issue has increased the price of land and Vila in some cities to 1000 times and another sections to 60,000 times. During years 1980 up to 2008, manner of change in price of land and housing in the city and around it is made in various areas at various stages. Forming the first Vilas and gradual expansion in the first years of 1980s began from southern and central divisions (Imam Street and Moharram Dasht district), then with high speed growth during expanding on mentioned districts extended to northwestern and southwestern divisions and limitedly to the west.

The price of building in the city with regard to area of building is varied. In fact in towns of this city the price is cheaper than other areas and the price of house nearly in all places of city is similar.

4-2-   Rent

The rent of house in comparison with transactional price is varied. Maximum rent in localities of Shahmirzad city is between 70 upto 150,000 Rls. with regard to area and location is varied.

Table 1: Price of Land, Housing and Rent in Localities of Shahmirzad City (2010)
Figures in 1000 Tomans

Place	Price of Land (per Sqm.)	Housing Price (mm²)	Rent of House
Moharram Dasht	350-400	100-250-400	60-70 and Gardens 200
Hammam Dasht	350-400	100-250-400	60-70 and Gardens 200
Veston	350-400	100-250-400	60-70 and Gardens 200
Koucheh Haftlang	350-400	100-250-400	60-70 and Gardens 200
Cheshmehsar (Ghaem Mosque	350-400	100-250-400	60-70 and Gardens 200
Chashmi Mahalleh	100-120	Old Plan 500	50-100
Sarcheshmeh	250	250	50-100-300
Chahar Koocheh (Bolbol Darreh)	350-400	100-250-400	60-70 and Gardens 200
Pelleh P	200-250	100-250	60-70 and Gardens 200
Louhor	100-150	50-60	60-70
Lazhar	100-150	50-60	60-70

Resource: Estate Agency of Mr. Mansouri and Ghasemi (2010.04.09)

Chart 4-3: Price of Land and House in Shahmirzad City Localities in (2010)
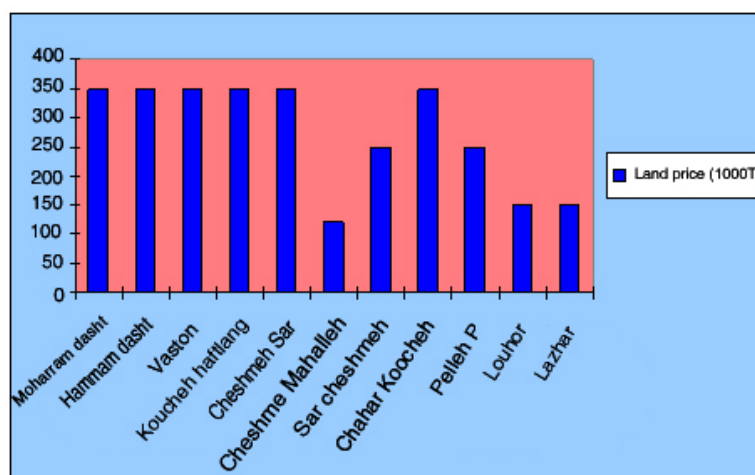
Map 2:zoning of price of land and housing in shahmirzad city
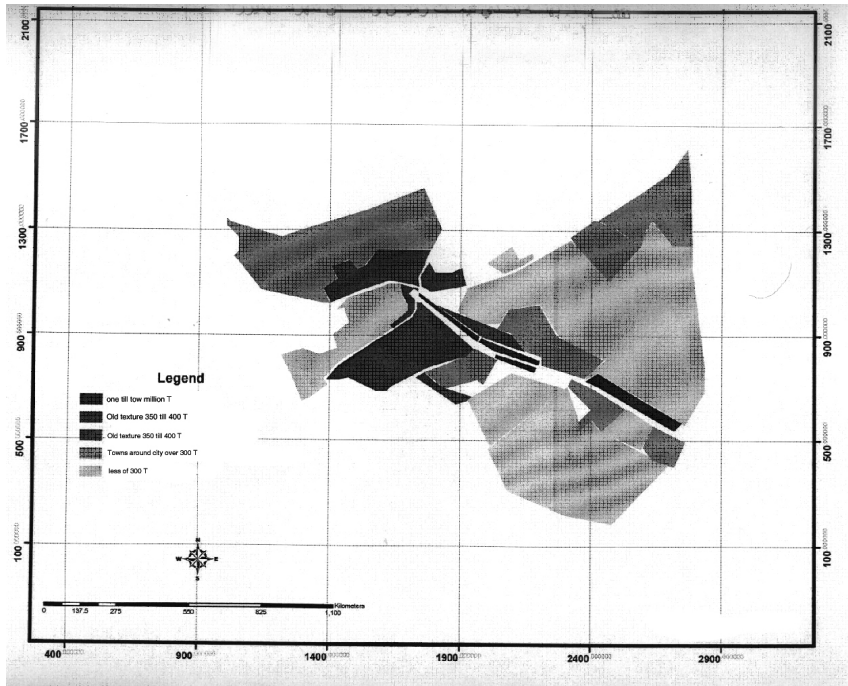
4-4- Investigation of Fluctuations in Price of land and its Causes in Shahmirzad

Really, according to investigations made about price of land in Shahmirzad city in (2010), price of land in various areas is different. So that the price of land and house in various towns of Shahmirzad is cheaper than central areas of this city. Since in these areas non-native persons reside and most expensive area of city there are in Imam St. and around Imam square and Chahrbagh which the price is varied from 1,000,000 to 3,000,000. The reason for expensiveness of these areas is their commercial role; because these places have around Imam blvd. and Imam street.

Also the price of eroded and old areas of city with regard to its location is different. As Pishkafsh area (Mohrram Dasht, Hammam Dasht, Veston, Koucheh Haftlang) have the highest price in the area, where the price of Land between 350 to 450 thousand toman is higher and the lowest price is for lands in Chashmi Mahalleh, Louhor and Lezher because the most old texture and ruined houses is located in this places. Of course the eroded areas more are located in gardens and fields parts which the price of gardens is more expensive. It should be mentioned that these prices are the price of old houses of the city.

Of course with regard to policies is made in relation with house in country, the price of this areas has been cheaper. But with regard to tourism position of Shahmirzad city and selection of points of city for second house of individuals also has effected on stocking of land and increasing the price of it. In fact the areas have been investigated are located in the center of Shahmirzad City and the place are used as residential garden. And even suitable climate condition of this city sometimes in center of city has caused the change of using from garden to residential.

Therefore change of Shahmirzd city to sample city of international tourism have caused hard increase in price of houses in this city and also has developed spatial development as towns around the center of city.

5- Conclusion

Toursim attractions in mountainous areas is an opportunity for providing increasing need and citizens to leisure spaces in one side and renewal of economic, social, cultural life of these areas in another side. Of course besides these opportunities, there are threats on behalf of tourism to these areas.

Tourism development in these areas had various economic consequences the most important of which are as follows:

Change of agriculture land use to residential use and installments and equipments related to tourism. In fact, in addition of decreasing of agricultural lands level, quality of lands also is declined; because in one side gardens and agricultural lands are converted to constructing and in another side a part of this decline and change in use of lands which are compensated with change of pasture land to agricultural lands, is resulted to unfairness of quality of earth of pasture lands and decreasing of quality of agricultural lands. In addition of above mentioned there are problems as bellow:

- Change of fields and gardens to residential gardens which sometimes is as second house.

- Increasing in price of land and housing and appearance of false prices and stocking of land that this situation has caused firstly, speeding in trend of changing gardens and fields to construction and secondly, has increased aggression to natural resources bounds (rivers and pastures) and thirdly, has made difficult to provide house for native people.

- Change of agricultural activity from a economic generator activity to similar model of agricultural tourism through piecing gardens and bounding them around and finally entertainment utilization of them.

According to investigations of price of land during years (2005) and (2010) increasing in price of land is witnessed, especially in central and old places of city where most of houses are as residential garden.

Also what has achieved of information and map is that form example the price of house in Imam St. in (2005) is 300 to 500 tooman, whereas the price of this area in (2010) has been reached to 1,500 to 3 Million tooman. Because of existence of commercial places on the street and existence of tourists in this city price of house and land in this city shows 70% increase.

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THE ROLE OF SECOND LANGUAGE IN NEGOTIATING EMOTIONS AND IDENTITY

Marianna Machata,
Alba Regia University Centre, University of Óbuda, Hungary
6. Komáromi str. 8000 Székesfehérvár, Hungary
machata.marianna@arek.uni-obuda.hu

Abstract

The paper, which is a part of a longitudinal study, deals with my own child's, Sarah's second language acquisition (SLA) with the special focus on how the child benefits from the strategic use of language in a dual (Hungarian-English) linguistic environment. The recorded data shed light on the interaction between her two languages focusing on communicative intentions and her identity transformations in the dual language acquisition process. The recorded discourse pieces reveal the evolution of her acceptance of the shared interpretation of language separation. I apply a functional analysis of her oral language production, drawing on the data retrieved from the structured retrospective interviews I conducted with her to find evidence of her motives in appeals to second language (L2). While analysing my dataset I identify patterns in her using L2 as a complementary set of linguistic forms to differentiate shades of meanings and negotiate her identity.

KEYWORDS: communicative intentions, identity transformations, dual language acquisition, language separation, a complementary set of linguistic forms

1 Introduction

1.1 The aim of the study

My research aims at understanding my daughter's, Sarah's identity development focusing on the role of L2 in negotiating emotional stances and identity changes. I analyse the data in order to reveal the motives of her language choice and the manifestations of her dynamic personality. I attempt to identify patterns in the data regarding emotionality and self-perception behind her language separation process in order to generate categories of them. In my category system I rely on the categorization and typology of scholarly research into communication strategies (Cohen, 1999; Dörnyei, 2005; Faerch & Kasper, 1983; Oxford, 1990) and also on Baker's (2006), Hamers' (2004), Norton's (2000) Pavlenko's (2006) research findings. The authors listed above have come to the conclusion that the multilingual speakers appeal to their second language as a strategic linguistic tool to shade meanings and convey different affective stances. I have compiled and analysed a dataset taken from Sarah's discourses and commentary to examine whether her language preference shows any similarities with the patterns the reviewed scholarly literature has identified. I investigate what role L2 plays in Sarah's mediating and interpreting

communicative intentions and bilingualism modifies her sense of self in a particular communicative event.

1.2 Justification of the study

English is a prerequisite of academic and career success nowadays as international communication has become an integrate part of our everyday life. Although multiculturism and multilingualism are not new phenomena, it is still very difficult for people living in a monolingual country to cope with the new communicational challenges of the multicultural environment. The booming demand for speaking foreign languages imposes new tasks and responsibilities on parents and educators when it comes to socializing children to use two or more languages besides their mother tongue. As a consequence of globalization and job migration the value of foreign language knowledge has increased. This situation has generated a demand for teaching foreign languages to children as early as possible and has turned attention towards second language acquisition in natural settings. These circumstances justify further research into teaching English to young learners and encourage parents to raise their children in two languages at a time even in countries where monolingualism used to be the norm. The fact that the contexts and purposes of foreign language learning are so versatile and also the language learners' attitudes show distinctness encourages research into the role and impact of individual differences in the learning process. My study gives an in-depth analysis of a particular case which can provide further data for the scientific research conducted on the topic of individual differences in second language acquisition. Due to its uniqueness it illuminates a special aspect of second language acquisition and commences a naturalistic and as well as rare language learning context. Due to its unusual character it also sheds light on new aspects, which so far have been out of sight or overlooked; nevertheless, they are worth consideration. When analysing my data I found that recurring patterns and categories became evident in Sarah's L2 use.

1.4   An introduction of Sarah's case

My paper is based on qualitative research into my child's language development. The study spans over ten years. The child is now fourteen years old. Sarah has been raised in a dual languge environment (Hungarian and English) since birth, the second language (further on L2) is integrated in the first socialization. Further on in my paper I refer to the established dual language environment as 'bilingualism' and call my participant 'bilingual'. The reason for including English in child raise is that in our neighbourhood there is a family of mixed nationality, the husband is American, the wife is Hungarian. Their youngest son, Brendon is of the same age as Sarah. Due to our frequent encounters, mutual sympathy, shared background and family responsibilities even before our youngest children's birth we had developed a very good relationship with the family, especially with the wife, Kati. Later our children were in the same group in the kindergarten and now they go to the same school in the same year but not in the same class. These coincidences led us to the decision of including English as a second language in child raise. During the years the circle of our friends has expanded with other English-speaking families and foreign people who also speak English as a second language. Some of those foreign people are associates at one of the multinational companies in Székesfehérvár or in the region. In addition, being an English teacher I also have a chance to teach at some of those

companies, and my and my husband's interpersonal contacts with foreign people and also our experiences in multicultural settings encouraged us to take advantage of the situation and integrate a second language in Sarah's raise. The fact that my husband and my older daughters (aged 21 and 26 in 2013) have a good language proficiency in English has created a favourable prerequisite. Also, this situation encouraged me to do my research in child second language acquisition. Although we have a number of friends who speak English, we have realised that our occasional encounters with them do not provide sufficient language input for my child to acquire the language. Therefore, in order to maintain a dual language environment, we had to establish a sort of 'labour division'. According to the household rule for language separation Hungarian is dominant as it is our mother tongue, English is used only in home or informal settings, mostly in child-mother interactions during daily joint activities or freetime activities (e.g. joint reading and playing). Also, we speak English in the presence of certain friends and foreigners. We try to keep up the established language use patterns to make Sarah feel comfortable in L2 settings. Being aware of the drawbacks, constraints and limitations of L2 input we can provide for her second language acquisition, we anticipated at the outset that she would not be equally proficient in her both languages. It was obvious that with little community support in terms of L2 her dominant language will be Hungarian, which is her mother language. Supporting the most inclusive definition of bilingualism we stand firm in our conviction that for Sarah acquiring a good level of listening comprehension and developing a good competence in any of the four language skills, and also feeling comfortable in a context where a second language is involved can be considered as success. We sustain that raising our child in a dual linguistic environment is a wonderful gift to her and being able to persue the level of language proficiency we have defined is the right thing to do. In addition, we thought it would enrich both her life and that of the family.

The clear definition of reasons and goals at the outset made easier to be consistent and take on our role as language coaches and promoted us to set up a workable plan to turn our goals into reality. We tried to identify the reasons for wanting to raise our child with a second language and define short-term plans, so called weekly schedules. This way we could easier adopt to a concrete situation and to our child's actual needs.

2.Theoretical background

In my study I analyse the same element, which is the role of L2 in my participant's identity development and in her affective communication, from three different approaches: (1) sociolinguistic, (2) strategic and (3) linguistic perspectives. Since communication is unseparable from the social environment where it takes place, my research has sociolinguistic aspects and societal concerns. I focus on the specific context in which my participant lives and learns her two languages and I reveal the background that shapes her interpretation and her positioning herself in that background. To make my findings valid I give a sufficient number of details and contextualization of the data. The study has its origin in linguistics as I use my dataset for linguistic analysis. The theoretical frame of my linguistic investigation is pragmatics. It looks into the social aspect of language use and the linguistic behaviour of language users. Therefore, I am concerned with the functional rather than the structural nature of language. I investigate how my participant's language behaviour reflects the interplay between her two languages. I use a

sample set of discourse and interlanguage examples taken from my child's talks to give evidence that there are recurring patterns and categories in her L2 use. My research also applies to psychology and individual difference research, since it reveals individual learning process. My case represents a possible context in the wide range of language learning profiles. Analysing the naturally occurring talk of my child I intend to emphasize the creativity of the individual language user and reveal that my participant, Sarah, as a strategic language user and a dynamic actor benefits from the dual linguistic system. As my study puts emphasis on one person's language acquisition in a bilingual context, it is important to state that the data presented in it are not suitable for generalizations, they should be handled as manifestations of individual language use. I emphasize that the terms used in bilingualism research for a concrete feature of the phenomenon are not wholly applicable in my case. This single-subject case is supposed to rouse attention to individual differences and to show how the outcome of the language learning process reflects the learner's personal interpretation of the sense of self and that of her learning environment. The present study is aimed at examining the attitudinal and affective aspects of L2 acquisition, which justifies investigating the same phenomenon from different perspectives.

3. Research design

3.1 Research questions

In my study the following central research questions are addressed:

1. What communicative intentions are manifested in Sarah's code-switches and appeals to L2?

2. How does Sarah's identity change and develop in the dual language environment?

3.2 Research methodology

In the 90's new qualitative approaches started to complement quantitative research and provide alternatives to traditional approaches. Since then qualitative research has witnessed an expansion and become popular with the growing interest in ecological validity. Qualitative research as a complementary paradigm beside quantitative meets the requirement of ecological validity by representing genuine contexts and cases. Personal accounts of experiences, subjective interpretations of phenomena across a broader span of time have become a major focus in qualitative research. My research falls into the category of qualitative research and involves one person, my own child. It is a case study conducted longitudinally with a time-span of nine years. It is aimed at understanding a bounded phenomenon, as I try to reveal the characteristics of the case that is my informant's language development in a marginalized linguistic environment. According to Duff's (2002) conceptualization marginalized cases are considered to be rare or unusual and show a kind of divergence and alteration from general cases. I label my case a marginalized one for the simple reason that L2 acquisition takes place in a non-native language environment and it is primarily supported by non-natine speakers of that language. My case is an extreme, atypical and convenience case. It is extreme and atypical since L2 acquisition takes place in a marginalized context with the parents being non-native speakers of English having limited community support regarding L2. Convenience comes from the fact that the participant is my own child, which situation is advantageous in terms of data collection and makes it possible to examine the phenomenon in a holistic fashion and in a context-sensitive way. Emotional bonding and cohabitation gives a great opportunity to look into

private interactions. I investigate my child's language development and her language behaviour in the context of her natural environment. Ethnographic research EC (Hymes, 1974) is a relevant framework to analyse micro-level analyses like discourse samples and to examine patterns and functions of communication. I consider my research an ethnographic single case study as I strive for the complete understanding of (individual) language behaviour of one particular person. Ethnographic single case study seems to be a relevant method for giving an exploratory, interpretive and in-depth description (Duff, 2002) of my single subject's, Sarah's linguistic development. I do not set out for providing statistical analyses of discrete linguistic elements. There is less emphasis on the numerical accounts (e.g.frequency calculations) of a particular linguistic phenomenon, rather I attempt to reveal why and how things happen in a particular way. Besides identifying and discussing the main foci, (my participant's communicative intentions, identity development) of the research I am determined to find patterns in the data and make them salient for the reader. I am aware of the fact that my single-subject case is not suitable for generalizations but strongly believe that it provides valuable data to extend our knowledge about what can happen in dual language acquisition. In order to make it as valid as possible I tried to avoid biased statements by triangulating the data, which means I attempted to describe my participant's own subjective interpretations of the events as well as my and all involved interlocutors' opinions and conclusions. I use the term dataset instead of the term corpus when I refer to the material I use for linguistic analysis in my paper. The term dataset is more appropriate as the analysed material is made up of the written version of isolated speech events recorded in different periods of time. My material is a collection of selected discourse samples taken from authentic interactions. I approached my data from a purely qualitative perspective, and analysed them with the help of qualitative methods. Doing an interpretive research, I wanted (1) to uncover recurring patterns in the way my participant uses her two languages naturally, and (2) to categorize my data accordingly.

3.3 Data collection instrument

Data for the research were drawn from multiple sources, they were collected with the help of (1) participant observation and field notes, (2) structured retrospective interviews conducted with the child and (3) other documents such as the child's writings and drawings. The interactions were tape-recorded at home and some other informal settings where Sarah felt comfortable with the presence of her friends and family members. The selected discourse pieces are presented as excerpts in my paper and they are numbered in an ongoing fashion. I added the child's age after each excerpt in brackets with the first number indicating the year, with the second number indicating the month. For example: (3;6). Adding her interpretations of a particular situation to those of mine contributed to triangulation and has made the findings more valid.

3.4 The participant

The case study is restricted to one person, Sarah, who is the researcher's (myself) own child. However, as the focus of the investigation is on child's second language acquisition, a number of other participants, related individuals are also included. They are considered as interlocutors in the child's interpersonal communication. In most cases it is the mother (the researcher) and the child's siblings and peers whose discourse is observed and taped by the researcher. The study was conducted at the child's home and in other

informal settings, in the circle of close friends and family members where the child felt comfortable and had an open rapport with interlocutors. These circumstances provide a naturalistic context, which is a fruitful arena for data collection. Data for the research covered ten years, from the age of one to eleven.

4.Results and discussion

4.1 Bilingualism – emotions - identity

Researchers (Norton, 2000; Pavlenko, 2006; Ricento, 2005) revisiting SLA research in the 90s recommend considerations of identity in SLA. In the 90s a great deal of attention was turned to the sociocultural dimension of bilingualism and second language learning. Since then ethnographic studies have mushroomed to reveal how identity formulates and transformes in the varied contexts of second language learning. Earlier studies had dichotomic oppositional categories like native-non-native, motivated-unmotivated language learner to suggest that the ultimate goal of learning is nativelike proficiency and the desire to become an indistiguishable member of the target speech community. Such studies approached identity as someone whose main goal is to be accepted in the target culture group and described the language learner with fixed, invariant/constant attributes. (Ricento, 2005) These studies placed the individual learner in a bipolar system distinguishing between the good vs. successful language learner, the motivated vs. unmotivated learner, the instrumentally motivated vs. integratively motivated (Gardner, 2001) langue learner. This approach considers the learner as static and implies that learners can be described with permanent, unchanged attributes. This view seems to ignore that learners undergo multiple changes during the learning process and show a dynamic picture of identity transformations. They consider the individual as a social attribute and examine them exclusively according to their success or failure regarding their integration effort and success into the target community. These researchers underscore learners' desire and ability to integrate in the target language community. Recent approaches (Norton, 2000; Ricento, 2005) put more emphasis on the interaction of the individual's multiple membership and illuminate how these memberships are understood by the learner and by the learner's environment and also how different subject positions unfold in different contexts (Ricento, 2005, p.898). The authors of first-person, single-subject accounts provide a wealth of examples taken from socially-constructed naturally-occurring authentic interactions to give a complex picture of what is going on in the individual during the learning process. It turns out that the degree of motivation and attitudes displayed by the individual learner is not static. The dynamic character of the individual is emphasized by Norton (2000) and Ricento (2005). They claim that individuals'sense of self shows a diverse picture at different points of time and in different contexts during the learning process. Norton's microlevel social encounters with her participants underpin that learners get a range of opportunities to speak, and are placed in different situations. Based on the interviewees' accounts she concluds that individuals take different subject positions from the disregarded to the fully accepted language user. Research into the relationship between identity and SLA is expected to provide further empirical data to know more about individual learners' behaviour and attitudes to learning. The significance of microlevel analyses is that those accounts greatly contribute to awareness and are of high importance in eliminating dogmas and biases and allow seeing things from multiple perspectives.

4.2 Communicative intentions conveyed via L2 in Sarah's language use

My aim is to give insights in Sarah's L2 development, as indicated in the title. In my inquiry I do not investigate my participant's L1 development for the simple reason that space limitations preclude an in-depth analysis of her development in both of her languages. Yet, in studying my participant's second language development, the acquisition of L1 is always taken into account, as L2 learning is often influenced by transfers from L1. A number of L1 utterances and references to L1 are included in the selected excerpts of talk to provide information and underpin my interpretations and conclusions. The massive and continuous reliance on L1 is justified because a significant part of the structured retrospective interviews was conducted in L1. I expected that talking about feelings and reporting on subjective interpretations of learning and language use in Hungarian, in her mother tongue, was easier for Sarah. As the majority of her personal accounts has been documented in Hungarian I present them in Hungarian in order to fulfill the validity requirements of the qualitative research and add English translations for those who might not know Hungarian.

In this part I present how Sarah uses L2 as a complementary set to shade and clarify communicative intentions in interpersonal interactions. I present situations to reveal that she has definite expectations and knowledge on who, where, when speaks Hungarian or English. In this section I categorized the samples according to the different communicative intentions. In my category system I relied on Pavlenko's (2006) research findings who has come to a conclusion that the multilingual speakers she interviewed appealed to code-switching to convey different affective stances. Sarah's language behaviour reveals that language shift signals affect and it is meant to manipulate the situation and the interlocutors. Language choice indicates emotional attachment. My findings in this respect underpin Pavlenko's (2006) results she collected from her multilingual interviewees' language performance.

The excerpts reveal what sort of communicative intentions are mediated and interpreted through L2 in concrete communicative events by my participant. Also I show how the integration of L2 indicates a variety of emotional stances both on the part of the speaker and her interlocutors'. In the analysis of my child's discourse and commentary I categorize the samples according to different communicative intentions and affective meanings and attempt to find patterns in those functions. In my inquiry I apply utterance-level/intra-utterantial and above utterance level/inter-utterantial analyses (Schiffrin, 1994). In all cases I consider one excerpt as a basic unit of linguistic analysis. The communicative intentions I focus on in this section are: (1) accommodating to the established language separation rules, (2) expressing emotional attachment, (3) conciliating the interlocutor, (4) identifying the situation and the interlocutor's mood by language use, (5) topic abandonment and tricking, (6) easing tension - injecting humour

(1)Accommodating to the established local rules in language separation
Excerpt 1
1.Sarah: Mummy, Brendon speaks English at nursery too.
2.Mother: With whom? With you?
3.Sarah: No, with his mother.

4.Mother: Yes, but his father is American, so they speak English more often than we do. At home in the street, in the shop, everywhere. Perhaps it was easier for him to speak English.

5.Sarah: Yes, but I never speak English with you in the kindergarten.

6.Mother: They do it in their way, we do it in our way. (3;4)

Coming back home from the nursery Sarah made a statement about Brendy's using English in the kindergarten as in the utterance above. Brendon was her groupmate at nursery, he is an American-Hungarian bilingual, whose first language is English. The reason for her astonishment was the boy's using English at nursery, which is for her was an unexpected domain for using that language. For her it was strange that someone uses English outside home without mother's presence, since it was very different from the household language use pattern she was raised in. Brendon's language behaviour represented a deviation from Sarah's local cultural norms, as a matter of fact for Brendy English is the most frequently used language. To clarify the situation I told her that bilingual families use their languages in different ways arguing that the rule of language choice we established in our family is only one in the multitude of language share patterns that bilingual families depict. She seemed to be satisfied with my argumentation and my explanation of the event must have made her redefine her conception about language and language use, because she nodded off my answer. The evidence of the change in her views is that later she herself gave accounts of several examples of different language boundary patterns in the bilingual families we have relationships with.

(2) Expressing emotional attachment

Excerpt 2

1. Sarah: Mummy, when I am as big as Dodó (her older sisiter), I also say 'anya' ('mother') to you?

2.Mother: I don't know. What do you think?

3.Sarah: No, you are my mummy. (She intersects hurriedly.)

4. Mother: So you like calling me mummy?

5. Sarah: Yes. And I always say it. (5,2)

Sarah raised the question in line 1 one evening while we were having dinner together in the kitchen in narrow family circle. Her inquiry surprised me because it was an old established rule in the family that my older daughters address me 'anya'(mother in Hungarian) as opposed to 'mummy' so she must have percieved the difference in use many times before. Until that time Sarah had not given voice to her astonishment noticing the difference between her and her siblings' language use. Her inquiry obviously exemplified a case of directing attention to language use differences in her social environment. The fact that she trasformed the situation into an object of analysis infers that she realizes that 'mummy' with English pronunciation sounds out of place in an L1 context and gives evidence of her metalinguistic awareness. Obviously she started to think about language. From line 4 it turns out that she has no aversion to her use of 'mummy', quite the contrary, she thinks the word 'mummy' is a better fit, it better expresses her intention, that is her assuring me about her overwhelming love towards me. The way she raises the question in line 1 suggests her perception of the dynamism of language use. She assumes that current language use norms can change with time. That's why she wonders

whether her way of addressing me 'mummy' will remain in the future or will be replaced by 'anya' when she grows as old as her sisters. The difference between her sisters' and her wording simply arouses her attention to a linguistic item, which she wished to discuss with me, although as implied in line 4 she did not attribute too much significance to the real reason. Her answer in line 4 to my question in line 3 gives evidence that whatever happens in the future she will always prefer using the word 'mummy', as it gives her inner satisfaction. From her last comment it turns out that she would not like to change 'mummy' for 'anya'. Perhaps because she had been using 'mummy' from the very beginning of her language acquisition it signals stronger emotional attachment. She implies that time and experience has made that word more valid and lended credit to its use. On the one hand, her comment is suggestive of her metalinguistic awareness displaying her ability to interpret her and her interlocutors' language use. She claims that she knows 'mummy' pronounced in English is odd in a Hungarian context, as we had earlier discussed it, and understands that the use of 'anya' is more typical and suitable in her language community. It is also an example of assimilating an L2 word in L1 as a manifestation of affective communication strategy by which she gets attention. The case shows that even if they sound odd, she clings to L2 elements and applies L1-L2 code-switches in natural talk, when those L2 elements better describe and express her communicative intentions. Her preference of the above mentioned L2 element is underpinned by the fact that she always addresses me as mummy with English pronunciation even in a Hungarian context with other Hungarians around. This must be a preferred element, which is fully assimilated in her first language. Her comment shows that although she is aware of the awkwardness of using the foreign-sounding word in a Hungarian context, and also she gives voice to her astonishment over it, she comforms herself to the use of this word. She calls my attention to the deviation from the rule but assures me that the L2 word is a better fit. By adding her last comment gives evidence that mummy represents conscious transfer (Tarone, 1977) and infers that she would be reluctant to abandon that word with L2 pronunciation as it intensifies the content of her utterance and amplifies her emotional bonding to me. Her body positioning as she hugs me tight, illustrates that using this word gives her internal satisfaction, the word {mΛmi} instead of 'anya' represents alliance, it means we-ness and intimacy, therefore she does not abandon it (Baker, 2005; Pavlenko, 2006). I have detected some other instances of L2 transfer which exhibit similar emotional attachment.

(3) Conciliating the interlocutor - Identifying the situation and the interlocutor's mood by language use

Excerpt 3

1.Mother: Na mostmár mars aludni! (Now get in bed!) Ne mondjam többször! (Don't let me say that any more.)

2.Sarah: Give me my diaper.

3. Sarah: It is not here.

4. Mother: Go and fetch it quickly.

5. Sarah: But we didn't read! I want 'Make-believe'! (4;2)

It was around bedtime when as a response to my outburst in Hungarian in line 1 Sarah turned to me in English as in line 2 emorsefully. The diaper is a safety blanket for

her she has been using from babyhood up to the present day as a comforting object when sleeping or feeling tired. The utterance in line 2 was purposeful and was meant to soften me. Her using English together with her gestural and body performance, smile on her face, outstretched arms, glimmering eyes was a linguistically performed social act and gave evidence of her tactful behaviour. On the one hand, it seemed to be an effective tool to reach my satisfaction. On the other hand, it served another goal: to get me to read a bedtime story for her, and to be less strict about the bedtime agenda. She expected that via code-switching she would better convey her intended meaning, so her request in English served as an affective strategy to control the interlocutor and get inner satisfaction.

(4) Topic abandonment and tricking

Excerpt 4

1. Mother: Sarah: You haven't opened the book today. You are lying, aren't you? (pressing Sarah's nose gently)

 2. Sarah: I am not lying, I am sitting.

3. Mother: (I can hardly hide laughter away) Really? Then tell me the poem now.

Sarah starts reciting the poem but stps many times not knowing the text fluently.

4. OK, learn it, I will come later and ask you. But next time you should think before you cheat me. Promise,

Sarah: Yes. promise. (8;3)

This conversation occured in the evening, she was lying in bed, and I asked her if she knew the Hungarian poem, Hajnal Anna: 'A náthás medve' 'The bear with a cold', she had promised to learn for school. She said yes, but it turned out to be a fib, as to my request she could recite the poem only with a lot of mistakes. I told her I was disappointed about her bad behaviour and I reproached her for not telling the truth shown in line 1. Feeling ill-conscience she immediately bounced up in her bed and answered as in line 2. This event shows that she understood the perlocutional act of my utterance in line 1, she knew I was furious with her, therefore she tried to conciliate and soften me by playing on humour using a homophone 'lie'as a linguistic resource. The utterance was an attempt to get me to be more permissive and forget about her improper behaviour. By outwitting her mother she created a chilling effect on the mother and could get her to forget about her mischief. This example is suggestive of her employing topic abandonment as a type of achievement strategy. At the same time it gives evidence that she is able to control her language knowledge and to use that knowledge in a creative way. It is a typical case of resource expansion and the relization of metacognitive and affective strategies.

(5) Easing tension - Injecting humour

Excerpt 5

1. Dori: Sarah, come. We're baking 'Kacsa Nagyi' chocolet cookies, which you like so much. Prepare the flour, sugar, eggs and cocoa here on the table.

2. Sarah: Soon, soon, soon. (The girls are waiting, but Sarah does not move from the sofa)

3. Dori: Are you sitting on your ears? Is it so difficult to lift your buttocks and get the flour from the larder?

4. Sarah: No. Coming!

Sarah runs up to the table in the dining room and fidgets with the tulips, which are placed in the vase in the middle of the table. In the following moment she turns up in the kitchen with a tulip in her hand and says:

5.Sarah: Dodó, your flower is here.

6. Dori (laughing): Very clever! (8;7)

I became attentive to my daughters' conversation presented in the excerpt above because it was a typical case when the bigger ones' disciplined Sarah and tried to get her to assist them with housework in English. It was so as they learnt that Sarah was more cooperative when they asked her in English perhaps because talking in English gave her the impression that the girls' request is less direct and imperative or simply she loved when she was talking in that language to her siblings. This time my bigger daughters, Dóri and Nani were busy baking a cake in the kitchen. They wanted to involve Sarah in the activity so they asked her in English to collect the necessary ingredients. Sarah was too lazy to react immediately to Dori's request so she stayed lying on the sofa and pretended as if she had not heard what the girls had said. As a response, Dóri made a remark in a high voice about her laziness and made another attempt to peruade her so asked her again as in line 3. As a sign of apology Sarah suddenly bounced up from the sofa, went to the dining table where there were red and yellow tulips in a vase. She made sure that big girls were watching her, so reached for a flower in the vase, picked it out and went with it to the kitchen. Reaching the kitchen table she imitated as if she had wanted to put the flower in the bowl which was prepared for the ingredients of the apple pie the girls planned to bake. Certainly the pun was a tool to counterbalance her sisters' teasing. Sarah realized her inequitable position, and wanted to change her siblings' attitude. Her gestural perfomance, the smile on her face, accompanying the utterance in line 2 indicated that the pun was applied not only because she wanted to sound funny. Her aim was undoubtedly to win her sisters'conciliation, which she finally could achieve as shown in line 6. Inserting humour proved to be an effective strategic tool to defend herself and to win attention. The siblings' reaction and the smile on their faces signalled for Sarah that her pun hit the target. From the way the siblings' reacted she realized that she could redefine her position in the circle of siblings. Heraing her well-placed pun her sisters admitted that she was clever enough to speak for herself and gave her the opportunity to control the situation.

4.3 Sarah's identity development

The excerpts in this chapter fall under the following categories: (1) social identity development in interaction, (2) handling negative feedback, experiences, (3) defining group boundaries - preserving alliance and privacy, (4) getting authority and wielding power via L2, (5) finding ways to enhance learning - reference to other language learners'experience

(1)Social identity development in interaction

For Sarah shifting to English within a discourse event between her ages one and eleven is a regular practice either voluntarily or as a response to others' request. She does translation tasks with pleasure, and enjoys the additional challenge it imposes on her if it is in compliance with the household language use and separation habits. The example below illustrates her her sensitivity to the peers' communication needs and also reveals her perception of her L2 competence.

Excerpt 1

1.Sarah: Brendy, we have coke, do you want?

2.Brendy: It is not good for me. Mom says I mustn't drink anything from the fridge. I'm ill with hörghurut, and taking medicine.

3.Sarah: Then tea? It's hot.

4.Brendy: A little.

5.Kata: Mit mondott? (What did she say?)

6.Sarah: Azt, hogy nem ihat hideg vizet, mert hörghurutja van. (That he mustn't drink cold water because he has bronchitis.)

7.Kata: Hogy van az, hogy hörghurut angolul? (How is 'hörghurut' in English?)

8.Sarah. Nem tudom, mi csak azt mondjuk, hogy 'ill'. (I don't know, we say only 'ill'.)

9. Meg a Brendy is úgy mondja. (And Brendy says so.)

10. Kata: Jó, elhiszem. (Good, I believe it.) (5;5)

Prior to this conversation, lines 1-4 there was a short dialogue between Brendy and Sarah from which it turned out that Brendy was not allowed to drink cold water because he was ill. Brendy, Sarah's groupmate in the kindergarten that time, is a balanced bilingual with an American father and a Hungarian mother. As Brendy spoke English, which Kata, Sarah's best friend living next door did not understand, the girl asked Sarah to translate Brendy's words for her as in line 5. Sarah did it without hesitation as in line 6 but Kata proved to be more inquisitive and wanted to know exactly how 'hörghurut' was in English. Sarah, not knowing the English word herself, explained that they do not use that word in English in the family and added they usually replaced it with the word 'ill'. The same remark in line 6 also implies that this gap in her lexicon did not disturb her and seemingly she did not attribute much interest to Kata's hair-splitting. To support and underpin her argument, in line 9 she mentioned that Brendy used the same word for that meaning. The reference to Brendy's language use seemed to be a persuasive and powerful argument for Kata. Line 10 gives evidence of it where she acknowledges that Sarah's explanation was satisfying. Apparently, Sarah's tactful way to overcome a linguistic challenge was successful. Reference to Brendy helped her to escape from a situation which might have created a negative picture of her L2 proficiency. Sarah hoped that her argumentation in line 10. would make a positive impression about her knowledge. She assumed that the mere fact that Brendon and she use the same English word for the meaning in question would give credit to her explanation. She expected that Kata would consider Brendon as an authority of L2 knowledge, and looked up on him due to his proficiency in both Hungarian and English. Kata's feedback in line 10 gives evidence that she behaved as it had been expected from her: she had no doubts about the credibility of Sarah's answer. Sarah's behaviour exhibits her sense of group-solidarity because she translates Brendy's English talk into Hungarian not wanting to exclude Kata, her friend from the conversation. On the one hand, it represents her assimilation attempt into the community of friends. On the other hand, in line 6 the reference to 'we' as a group or community, which is distinct from that of Kata's and identical with that of Brendy's is suggestive of Sarah's dynamic and transforming identity. The excerpt illustrates how Sarah regulates, identifies and redefines herself in the cultural group depending on her personal needs and interests. Directing attention to the similarities between Brendy's and her own family's language use as in line 9 seems to be a good idea to speak from a powerful position and

give the impression of a knowleadgeable L2 speaker. It is also suggestive of her allignment with Brendon's language community. The fact that identifying herself in the same group where Brendon belongs to authorizes her to be treated as a legitimate L2 speaker (Norton, 2000) who is knowledgeable enough to make valid statements about that language. Her inferences in lines 8-9 about her group affiliation betray that in the interaction she had developed a powerful subject position and appeared to be a respectful and legitimate L2 user. References to shared language use habits with fully authorized and undoubtedly legitimate L2 speakers like Brendy increases her self-esteem and self-confidence. We-ness, group belonging regarding L2 gives her power and authority (Pavlenko, 2006; Norton, 2000; Ricento,2005).

(2) Handling negative feedback

Excerpt 2

1.Sarah: A Matyi azt mondta, ha nem tudok folyamatosan beszélni, akkor nem is tudok angolul. (Matyi says if I can't speak fluently, I can't speak English.)

2.Sarah: De azt a Matyi nem tudja, milyen az angolt használni az igazi beszédben. (But Matyi soesn't know what it is like to use English in real speaking)

3.Sarah: Mondtam neki, ő lehet, hogy sok szót tud, de nem tudja összerakni. Én meg tudom, sőt még beszélgetni is tudok angolul. (I told him he might know a lot of words but can't put them together. But I can and even can talk in English.) (9;8)

Sarah is very sensitive to critical remarks and the negative opinions about her English knowledge contributes to her perception that she is an incompetent speaker of English. With introducing the term 'sensing the right to speak' and that of the notion of incompetent or illegitimate speaker Norton (2000) makes an important point that inequitable power relations and culturally mediated bad experiences can deter individuals from communication. Between her ages of seven and eight Sarah often complained that some kids in her class kept callenging her. The sample above exemplifies one of them. As a reaction to Matyi's remark Sarah positions herself as an ignorant, disregarded speaker of L2 whose right to speak is shaken, therefore she herself becomes hesitant and uncertain about her knowledge. Her imbalance and contradiction is reflected in line 3, where she seems to restore her self-esteem by claiming that she is able to express herself in complete sentences not only in isolated words as Matyi does. Her utterance in line 3 is a manifestation of self-defence. Feeling disappointed by Matyi's degrading statement she feels being silenced would be the sign of admission, so decides to speak for herself. Some other cases give evidence that Sarah displays varied rections to injustice and negative criticism: sometimes she is silenced, and copes with it by reporting on her experience at home, some other times she gives voice to her opinion on the site and is determined to disarm her opponent. Comments similar to this one abound in my dataset. They show that she is sensitive to the opinion of her social environment and her multiple perception of these opinions formulate her self-image Just as well the discussions of her perceptions depict her permanent struggle of subjectivity/the individual learner in the process of self-identification. The fact that she recurringly initiates conversations to discuss her feelings about her L2 gives evidence of these individual struggles. At the same time her peers'comments are of high importance in enhancing her learning. They encourage her to be more self-reflexive and responsible for her own learning process, and from time to time

fosters her to monitor her own language progress and to reconstruct her identity. It shows Sarah's perception of the relative nature of language knowledge. Her conceptualization of language competence, her conception of her self in the language learning process are also reflected in her reporting on the calssmates' criticism. Her hesitation is clearly mediated in lines 1 and 2. Her utterances give evidence that it is difficult for her to decide whether she is a legitimate or an illegitimate speaker of L2. Rámi's conception in line 1 reflects the typical lay person's view of language competence inferring that real language knowledge means the ability of speaking about all topics in that language. Sarah supported by her own personal experience stands firm in her conviction that her language competence is justified and she considers herself as someone who has the right to speak the language. Line 3 shows that her self-evaluatuion of her own language proficiency reflects and echoes her social envuronment's view of language competence.

(3) Defining group boundaries – preserving alliance and privacy

Excerpt 3

1.Sarah: 'Már megint angolul beszélsz!' (Again, you speak English!)

2.Mother: Miért nem akarod, hogy angolul beszéljünk? (Why don't you want us to speak English?) Katáék előtt mindig úgy beszélünk. (In the presence of Kata's family we always speak English.)

3.Sarah: A Katáék meg a Kasia-ék az más, ők mindig itt vannak, olyan, mintha velünk laknának. (Kata's family is different, they are always here as if they lived with us.)

4.Sarah: Meg másokkal nem szoktam angolul. (And with others I don't speak English.) (7,2)

Sarah reproached me as in line 1 in a low voice for talking to her in English as we were walking in the aisle of a busy shopping mall. She thought I displayed inappropriate behaviour

and treated my using English as a rule offence, a deviation from our language use /household rules of language choice, and also she evaluated the situation as a betrayal of our alliance. Using a low voice is suggestive of her expectations regarding language choice and comforming to the norms. The fact that she does not accept using English in the presence of outsiders or uninitiated people shows how she identifies and regulates herself in the group.

Her utterance in line 1 is a clear request for my cooperation and preserving alliance and privacy. At the same time, not allowing speaking English with 'others' might mean two things: (1) ousting them from the circle of the allied members, (2) accommodating herself to the group. Her answer in line 4 to my question in line 2 is noteworthy. She gives a quick and simple explanation on why she refuses using English int hat particular situation. Line 4 implies that the locally established rules regarding language boundary is an appropriate explanation, so she is unwilling to get involved amd go deeper in further discussions.

(4)Getting authority – wielding power via L2

Excerpt 4

1.Dodó and Nani (Sarah's elder sisters): Mi az ott Sára? (What is it here, Sarah?)

2.Sarah: Tigris. (Tiger)

3.Dodó: Mondd még egyszer! (Say it once again!) Dodó and Nani start laughing.

4.Sarah: Tiger. (victoriously) (4;1)

In the example above the L2 code-switch falls into the category of both reduction and achievement strategies. The context behind this event was that Sarah's elder sisters kept pulling her leg because she had difficulty in pronouncing the sound 's' in Hungarian, which often raised a laugh among the bigger ones. On her siblings'eliciting her to pronounce 'tigris' she used 'tiger' to avoid the embarrassing situation, since it did not contain the sound she had not mastered yet. On one hand the code-switch produced by her represents abandoning a message, signalling that she is unwilling to react to her siblings' joking. In this consiferation I treat the code-switch as reduction strategy. On the other hand, the L2 element seems to be a valuable linguistic resource to overcome an uncomfortable situation an solve a momentary problem. At the same time, due to her tactful and creative solution she won her sisters' appreciation and thus she could also change power relationships in the circle of the siblings. The case shows that her L2 use lends her authority. This function of code-switching underpins Pavlenko's (2006) and Baker's (2005) findings.

(5)Finding ways to enhance learning –reference to other learner's experience

Excerpt 5

1. Mondd el, mi volt ma a suliban! (Tell me what was at school.)

2.'Jó, de a dolgozatban nem azt kell tudni, hogy mit csináltam ma! (Good, but in the test I do not have to know what I did today.)

3.Ott azt kell tudni, ami az órai anyag! (There I have to know what is the lesson material.)

4.Amikor én megyek nyelvvizsgázni, akkor velem is leülsz tanulni, mint a Nanival? (When I go to take an exam will you sit down with me to learn like with Nani?)

5.Meg kéne tanítanod a nyelvtant!' (You should teach me the grammar.)

6.Mer az úgy nem elég, hogy csak úgy beszélünk ebéd közben, meg ilyenek? ('Cause it is not enough that we only talk during lunch and things like this.)

7.Sőt, amikor nyolcadikas leszek oroszul is elkezdhetünk tanulni, utána meg franciául és lengyelül is akarok. (What's more, when I am in the eighth class, we can start to learn Russian, and then I want French and Polish too.)

 8. Na jó. (Ok then.) (10;7)

One afternoon Sarah was upset because she got a four because she made grammatical mistakes in her test paper. She was disappointed and pushed the responsibilty on me in line 2 pointing out that that learning for school requires instructed learning which is impossible to achive during loose conversations. Her request in lines 4-5 she invites me to sit down with her and practise English to get prepared for school purposes. Her understanding of the characteristics of learning at school is reflected in her utterances. She claims practising and routinizing discrete elements of language is imperative to construct relevant knowledge for successful completion of school assignments and language exams. Her utterance in line 2 is suggestive of her awareness of the difference between learning language for academic purposes and learning it for communication. Her utterance in line 4 betrays how her personal experience influences her views about the function of language. In line 4 she draws on Nani's, her elder sister's example to underpin her argumentation. The way Nani prepared for her language exam and her own personal experience about using English at school and at home made her reconsider herthinking about langauge.

accordingly she concluded that learning at school is broken down to areas, skills and vocabulary. With her utterance in line 5 she refers to grammar as a clearly separable area in language learning. She percieves that successful fulfillment of lesson and language exam requirements demands a different type ofpreparation. Lines 6-7 give evidence give a clear sign of her perception that language is used for two distinct functions: the communictive and the cognitive function. In line 2-3 Sarah makes me understand that free conversations English in informal settings greatly differ from what she is expected to know in the English lesson at school. Sarah's argumentation implicitly reflects her linguistic awareness too. Sarah's valorization of foreign language knowledge influenced by her social environment is reflected in the utterance in line 7. Foreign languages are highly valued and language learning has a high prestige in the family, therefore she has developed a positive attitude to language learning.

5. Conclusions

My aim was to analyze concrete examples on how language shift and reference to L2 modify and further shade meanings in the use of Hungarian and English of a girl in a dual language environment. The analysed data give evidence that cross-linguistic phenomena signal affect. Sarah mixes the languages to get the intended meanings across. Appeals to L2 express things like group-solidarity, attachment, conciliation, identifying the cospeaker's mood, having fun with language, accomodating friends, tricking and preserving alliance and privacy. When defining my analytic categories I used Pavlenko's (2006), Baker's (2005) and Norton's (2000) research conducted about their multilingual interviewees' affective stances. The child's language behaviour justifies that language use is unseparable from the social context and from the way the individual percieves that social context. The excerpts underpin how her discourse appropriates for the locally established family norms and agenda and how she interprets and relates to the communicative event in the dual linguistic system after her age of three. I described the ways Sarah applies influence on her social environment integrating L2 as a strategic tool to reach her goal. I concentrate on how the feedback she gets from her social environment influences her identity transformations. I focused on the multiple identities Sarah develops in bilingualism at different points of time in a variety of situations. The excerpts presented in the empirical part betray how she negotiates her identity and allows insights in her perception of self. I intended to show how the feedback she gets from her social environment influences her perception of self, her progress in L2, and the way she feels about her own language development. I draw on my data to show that this feedback mechanism generates myriads of effects in her learning process and makes her constantly reformulate her self-image. Depending on the numerous effects she develops versatile and sometimes contradictory identities and depicts various motivations and group affiliations. The social interactions presented in the excerpts underpin that she undergoes a number of identity transformations. Due to the dialectic relationship between her and her social environment she is forced to reconstruct her world, and revisit her place and position in the community she belongs to. Stretches of discourse bespeak how Sarah succeeds and fails to speak from powerful position with her peers. The excerpts are aimed to show the different degrees of her self-esteem, and with the help of them I intend to underpin that sometimes she positions herself as an

incompetent, disregarded individual, other times she develops a powerful, self-confident position. I want to show that her identity is not static moving between positive and negative identifications in the group and speech community where she finds herself in a particular discourse event. I display manifestations of her sensing her right to speak L2. The term 'sensing the right to speak' is introduced by Norton (2000) with reference to the speaker's perception of their social position in a language community. With the term Norton raises awareness to situations where inequitable power relations and culturally mediated bad experiences can deter individuals from communication.

6. Limitations of research

The fact that I am the mother of my participant justifies my case selection and sampling procedures. Cohabitation and joint activities provided an easy and permanent access to child discourse and narratives, which enabled me to do observations longitudinally without the risk of attrition. The case investigated can be considered as an extreme case, which is not suitable for making generalizations or testing a priori hypotheses. Realizing limitations of single cases with my research I intend to reveal a specific case in depth, to analyze and discuss the data with the purpose of exploring the uniqueness of the individual language learner. The significance of the study lies in thick description, detailed analyses and interpretation of the case.

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THE PARADIGM OF ROMANIAN AND SPANISH TOURISM STRUCTURES WITH ACCOMMODATION FACILITIES

Mihaela Ciobanu, PhD. Candidate[1]
Teaching assistant, Romanian-American University

Abstract

Tourism is a complex economic and social phenomenon that addresses large social segments and responds to their needs. It implies the idea of free choice of destinations, date and duration of stay in order to satisfy some social, cultural, etc. needs, as well as the tourism consumption needs. Tourism refers to the activity of visiting attractive places and objectives and making this trip entails both the travel as well as a temporary stay in the chosen sites selected as destinations for the free time. This paper means to analyze the tourism structure with accommodation facilities in Romanian and Spanish in order to clarify concepts in the field of tourism as well as to determine the similarities and differences between the two languages in terms of tourism terminology.

Key words: tourism, accommodation facilities, tourism structure, tourism terminology.

The language of tourism is a specialized language initially created for communication between specialists, which presents interferences with general language as a consequence of the interest of all categories of people in this field.

The specific terminology of tourist structures with accommodation facilities includes a big number of terminological units, taking into account the (very) diverse typology of these structures, depending on the semantic characteristics such as: /accommodation capacity/, /location/, /beneficiaries/, /duration of stay/, /services offered/, /type of arrangement and internal organization/.

For this paradigm we have selected the terms depending on their affiliation to the *basic accommodation forms* (Neacşu N. 2006: 295). The terms analyzed in this paper are the following: HOTEL, APARTMENT HOTEL, MOTEL, HOSTEL, VILLA, BUNGALOW, TOURISTIC CABIN and TOURISTIC PENSION. All the analyzed terms contain the relevant semantic characteristics /tourist structure/ and /accommodation facility/.

As form, the terms are divided into:

- Simple terminological units: HOTEL (*hotel* (RO); *hotel* (ES)), MOTEL (*motel* (RO); *motel* (ES)), HOSTEL (*hostel* (RO); *hostal* (ES)), VILLA (*vilă* (RO); *villa* (ES)), BUNGALOW (*bungalou/bungalow* (RO); *bungaló/bungalow* (ES)).

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[1] ciobanu.mihaela@profesor.rau.ro

- Complex terminological units: APARTMENT HOTEL (*hotel-apartament* (RO); *hotel apartamento* (ES)), TOURISTIC CABIN (*cabană turistică* (RO); *refugio de montaña* (ES)), TOURISTIC PENSION (*pensiune turistică* (RO); *pensión* (ES)). All these syntagms display a high degree of fixation.

Definitions:

- lexicographical – in general dictionaries;

- terminological – in specialized dictionaries.

- texts with different levels of specialization (specialized texts, texts from specialized publications, non-specialized texts from Romanian and Spanish press.)

The relationship between these terms and the general language is obvious from the perspective of the following aspects:

- in the lexicographic definitions there are no *diastratic marks* which represents one of the problems many researchers are facing nowadays when they use the dictionaries (we are referring here to Romanian and Spanish general dictionaries);

- there are some terms that are not present in the specialized dictionaries, although they are not recently entered in Romanian language or in the Romanian tourism field;

- they are very common in texts of wide circulation.

The sources we have used for this analysis are:

- Specialized dictionaries: *Lexicon de termeni turistici* (LTT), *Dicționar de terminologie turistică* (DTT), *Diccionario de turismo* (DTUR), *Diccionario de términos de turismo y ocio, Inglés-Español* (DTTO).

- General dictionaries: *Dicționarul explicativ al limbii române* (DEX), *Dicționarul explicativ ilustrat al limbii române* (DEXI), *Diccionario de la Real Academia Española* (DRAE).

- Specialized and journalistic texts, the relationship between dictionaries and texts represents one of the methods used in linguistic analyses of terminologies (Bidu-Vrănceanu 2010: 17).

The specialized dictionaries have the role to confirm and complete the semantic information presented in general dictionaries. These dictionaries can present a complex of conceptual-semantic elements that are not present in general dictionaries and address tourism specialists.

The analyzed definitions are substantial definitions (the analyzed terms are nouns) that are based on Aristotle's formula of *genus proximus* and *differentia specifica*. In each definition the classification is made first by a superordinate element (hyperonym).

In case of specialized dictionaries, in Romanian we can notice a pretty rigorous classification: DTT adopts to classify most of these elements using "structure" ("structură") (except for the term "cabin" which is classified as "construction"); "apartment-hotel" and "touristic pension" are hyponyms of "hotel", respectively "cabin". In LTT the classification is unitarily made by resort to the noun "unit" ("unitate") accompanied by the specific determinant of each unit in order to mark the distinctive classification elements: ("accommodation", "hotelier", "with hotelier activity", "touristic"). In Spanish (DTUR), the classification is mostly made by "establecimiento", and for "bungalow" and "refugio de montaña" is made by "alojamiento". In specialized Spanish literature there are several types of "alojamiento" (accommodation):

Alojamiento turístico. Empresa mercantil que se dedica a proporcionar albergue a las personas que lo soliciten, de manera profesional y habitual y mediante precio fijo con o sin prestación de servicios de carácter complementario. Los alojamientos pueden ser de dos tipos: hoteleros (hoteles, moteles, apartahoteles y pensiones) y extrahoteleros (albergues juveniles, cámpings, apartamentos, casas de labranza, bungalows, villas, chalés o alojamientos similares). En España, tanto un tipo como otro tienen legislaciones distintas. (DTUR 1998: 26)

Alojamiento hotelero. Empresa mercantil que ofrece un servicio que permite al cliente hospedarse para su descanso con el ofrecimiento de otros servicios complementarios, tales como: manutención, instalaciones deportivas y recreativas, salones para reuniones, etc. Se consideran alojamientos hoteleros: hoteles, apartahoteles, moteles, pensiones, hoteles-apartamentos, teniendo cada uno de ellos una clasificación diferente según sus instalaciones y servicios. (DTUR 1998: 26)

Alojamiento extrahotelero. Establecimiento turístico no hotelero destinado a proporcionar habitación o residencia a las personas en épocas, zonas o situaciones turísticas, con modalidades diversas de habitación. Son alojamientos extrahoteleros: cámpings, bungalows, villas, chalés, apartamentos, casas de labranza o rurales, albergues juveniles o alojamientos similares. (DTUR 1998: 26)

In the Romanian DEX, after comparing the definitions, the classification is relatively unitary by "building", "house" and "dwelling", some terms not being integrated in the tourism field (villa, bungalow). Usually, in general dictionaries we can notice the use of terms as units that belong to common language rather than specialized language. For the term "pension", the classification is made by two elements and the result can be a little confusing (it can function as "house" or as "restaurant").

DEXI offers a classification of these terms using almost exclusively the hyperonym "house" (except for "hotel" that is classified as "building"). In this way we notice consistency and unity in the process of classification, describing some identical characteristics with the same elements, a fact that makes the reading and decoding of the lexicographic definitions easier, especially in the case of specialized lexicon.

The analysis of definitions in specialized dictionaries

The definitions in specialized dictionaries are more descriptive, they contain more elements than those from the general dictionaries, and this is valid for both languages under analysis.

• The definition of the term HOTEL has a clear classification that describes it as "the most known traditional accommodation modality in the hotelier industry that holds the biggest part in the majority of the accommodation units" (Neacșu 2006: 298)[2]. Regarding the beneficiaries or users, these are the "tourists" (LTT, DTT) or "travellers" (DEX), while DEXI does not indicate the beneficiaries. In Spanish, the specialized definition leaves empty this semantic characteristic while the general dictionary mentions "huéspedes o viajeros".

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[2] my translation from the Romanian source.

From the perspective of semantic relations, there are several aspects to mention:

Hyperonyms in definitions: HOTEL - *unitate* (LTT), *structură* (DTT), *clădire (mare)* (DEX and DEXI); in Spanish we can notice the use of the same hyperonym in both types of definitions (lexicographycal and terminological) *establecimiento* (DRAE, DTUR).

For the term HOTEL, the relevant element is the hotel classification (0-5 stars), whereas in Spanish even more specific elements and technical details are mentioned (identification modalities, department division) etc., all these being very relevant for the specialized reader.[3]

At the end of the definitions the various types of hotels are also indicated. With the help of these elements the integration of the respective concept into the domain of reference is achieved.

- The APARTMENT HOTEL represents a type of *hotel*, so it is a hyponym of this term. It does not stand on the same hierarchical level with the other analyzed terms because it is inferior from the semantic-conceptual perspective of the term HOTEL. The complex term is not present in general dictionaries (Romanian or Spanish), being a specialized term.

On the other hand, the existence of synonyms in both languages can be noticed. We have the following synonyms for APARTMENT HOTEL (HOTEL-APARTAMENT) in Romanian (this term exists in specialized dictionaries, in tourism legislation and journalistic texts): *aparthotel* (a term that we have encountered only in journalistic texts, we consider that, as a consequence of its direct borrowing from English, this term does not present a high degree of fixation)[4].

The Spanish synonyms for APARTMENT HOTEL (HOTEL-APARTAMENTO) (term that exists in DTUR) are: *hotel de apartamentos* (DTTO 2006: 545); *aparthotel* (DTUR 1998: 33; DTTO 2006: 438); *apartotel* (DRAE 2001:177), *aparto-hotel*.[5]

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[3] "El distintivo que lo identifica es una placa rectangular de metal, de tamaño estándar, con fondo azul turquesa y la letra H en blanco; a pie de la placa el número de estrellas doradas, según la categoría. Cuando por sus características especiales se le otorga la clasificación de cinco estrellas, „gran lujo", se especifica en el distintivo mediante las letras GL. Los departamentos de un hotel son los siguientes: central de reservas, comunicación, recepción, conserjería, pisos, cocina, comedor, economato y bodega, mantenimiento y seguridad, lencería y lavandería, y administración." (DTUR 1998: 190).

[4] „Reteaua unitara de cazare turistica s-a marit acest an fata de anul trecut cu 7 unitati de cazare, din care doua hoteluri si un **hotel apartament**. Numarul total de turisti cazati in judetul Braila reprezinta 0,9% din numarul total de turisti cazati in Romania." (http://www.infobraila.ro/2012/09/braila-are-mai-multe-femei-decat-barbati/

„Vecinii construcţiei de pe Trifoiului 22 - Cabrio Aparthotel care oferă spre închiriere apartamente în regim hotelier - au cerut primăriei, săptămâna trecută, să ia măsuri pentru că beneficiarii acestui **aparthotel** au început lucrări de supraînălţare a acoperişului imobilului şi ar putea pregăti o mansardă ilegală" (http://ziuadecj.realitatea.net/economie/aparthotel-cu-etaj-mobil-in-buna-ziua--99622.html

„Investitia in **aparthotelul** din Cluj a fost de circa 600.000 de euro, in 2005, iar Sabin Funar spera sa o recupereze in circa 8 ani. Deocamdata, insa, plata pe camera acopera doar rata la banca si utilitatile, spune Funar. Totusi, cerere exista, gradul de ocupare al **aparthotelului** fiind de circa 70% pe an, iar cea mai lunga perioada de inchiriere a unui apartament, de 5 luni. Deocamdata, persoanele fizice care inchiriaza apartament in regim hotelier nu sint o concurenta directa la **aparthotel**, mai ales din cauza ca acestea nu emit facturi, deci sederile nu pot fi decontate."
(http://www.monitorulcj.ro/cms/site/m_cj/news/48648.html

[5] "El **Aparto-Hotel Rosales** está ubicado en el centro de Madrid, muy cerca de la Plaza de España y del Parque del Oeste, en el barrio de Argüelles. Su privilegiada ubicación le permite moverse por Madrid a pie o,

• In Romanian tourism dictionaries, as well as in general dictionaries, we can notice the absence of the term HOSTEL, although it is present and clearly defined in the tourist legislation from Romania and in specialized and journalistic texts.

This absence may be interpreted as an error of the specialists, because its synonymous syntagm -HOTEL PENTRU TINERET- is also missing. HOSTEL replaced in tourism legislation the term HOTEL PENTRU TINERET[6]. In Spanish, this term (HOSTAL) is present both in general and specialized dictionaries, being a fixed term.

This term is a hyponym of *hotel* from the point of view of its denomination, as well as of its previous name (*hotel pentru tineret*). In the Spanish definition from the specialized dictionary the hyponym *hostal-residencia* is mentioned. The fact that it does not fulfill all the criteria and requirements for being considered as a *hotel* is also mentioned. In Romanian, the fact that it is localized "în spații amenajate, de regulă, în clădiri cu altă destinație inițială decât cea de cazare turistică" ("in equipped spaces, usually in buildings with another initial destination than as tourist accommodation") is also mentioned. We find an argument in favor of this classification in an internet article: "Călătoria reprezintă aventura de a descoperi, de a căuta diferențele culturale așa că de ce nu experimentați hosteluri precum Jumbo Stay din Suedia, un avion (la propriu!) transformat în hostel." (http://www.totuldesprehostel.info/2010/10/hostelul-de-ieri-hostelul-azi.html).

The fact that the number of people accommodated in a room is bigger than that in a hotel is mentioned neither in the Romanian nor in the Spanish definitions. This is a defining characteristic of the term *hostel*. In the Romanian tourist legislation, the compulsory criteria for hostels indicates their division into categories (3, 2 or 1 star(s)), the fact that the maximum number of beds in a room is 4, 10 or over 10 and the existence of a common sanitary group, split for genders, for 10 people. This characteristic is defining for giving a clearer image of the term, a fact that has been omitted from the definitions. This aspect is also mentioned in journalistic texts: "De dragul cunoasterii si al experimentelor de orice fel, multi oameni prefera sa stea intr-un **hostel** atunci cand calatoresc in alte tari. Dormitoarele cu mai mult de 10 paturi si baile comune sunt intr-adevar cel mai bun mediu pentru cei dependenti de socializare." (http://www.ziare.com/vacanta/vacante/ce-pui-in-bagaj-cand-nu-iti-permiti-sa-stai-la-hotel-862136).

• MOTEL is a compound term (*motor car* and *hotel*). It is defined in all types of dictionaries, in both languages analyzed. Being a type of *hotel*, it is thus a hyponym of this term. As far as the semantic characteristic /accommodation capacity/ is concerned, in the case of specialized definitions, these elements are indicated („mijlocie sau mică"; „mică sau medie"), being also present in lexicographical definitions. An important element in all definitions is the location („în afara localităților, în imediata apropiere a arterelor intens circulate") and the fact that it offers parking spaces. Regarding the beneficiaries of this accommodation structure, these are *turiștii automobiliști* (motorist tourists) (LTT, DTT), *călătorii* (travellers) (DEX), *automobiliștii* (motorists) (DEXI). In Romanian, we have encountered a synonym, *moto-hoteluri* (DCR 1997: 155).

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si lo prefiere, en transporte público, hasta los principales monumentos y lugares de interés de la ciudad." (http://www.apartohotel-rosales.com/)

[6] (*Turism – Reglementarea activității, 23 martie 2011*, Ed. Best Publishing România, București, 2011, pag. 65)

- VILLA is a term that, in our opinion, should also contain the determinant "touristic", thus assigning a clear tourist connotation to this term. The adjective "touristic" specializes the term and circumscribes it to the domain of analysis and, at the same time, it takes it out of the general lexicon, which represents a source of ambiguity. In terminological definitions, there are several hyperonyms associated with: *unitate* (LTT), *structură* (DTT), *establecimiento* (DTUR). In the lexicographical definitions, the hyperonyms are: *locuință* (DEX), *casă* (DEXI), *edificio* (DRAE); in Romanian, the term *villa* is included in the general lexicon and this is even more obvious in the case of DEX as it has no connotation to the field of tourism. In DEXI, apart from being part of the general lexicon, a connotation to the tourist lexicon is mentioned – „folosită ca locuinţă sau destinată găzduirii de vilegiaturişti" ("used as dwelling or designated to accommodate holiday makers"-my translation). From the point of view of the beneficiaries, the use of the term "holiday makers" can sound a little old or out of fashion in Romanian, being a word that is not commonly used by the tourism specialists or in the sources of wide circulation.

- BUNGALOW (*bungalou* or *bungalow* (RO); *búngalo* or *bungaló* (ES)) is another term that is part of this paradigm. Hyperonyms in definitions: *unitate* (LTT), *structură* (DTT), *alojamiento* (DTUR). Regarding the /accommodation capacity/, this is "reduced" "between a little house and villa" (there are two examples of structures in order to give more precision to the definition). The "seasonal activity" it has is also mentioned, which is a very important identification element. In modern Spanish, the term is used to refer not to a "bungalow", but to each of the flats or houses in a terraced row. (DTTO 2006: 461).

- CABIN is a term that has a determinant only in LTT (*touristic cabin*); in DTT just the simple term *cabin* is mentioned. We consider that, in order to avoid ambiguities, the correct term should be the one with a determinant (*touristic cabin*). Both definitions contain the basic semantic characteristics /tourist structure/ and /accommodation facility/. In /services offered/ we notice a clear difference between the two specialized definitions in Romanian. LTT mentions that "it ensures the accommodation, meals and other necessary services", while DTT concisely mentions the fact that "it serves as a shelter". DTT defines the type of construction while LTT defines the entire term (type of construction and services), *cabin* being a hyperonym for *touristic cabin*. LTT offers a more precise and extended definition by indicating the /accommodation capacity/ ("relatively reduced"), /location/ ("a mountain area, natural reserve, close to a resort or another tourist attraction"), /beneficiaries/ ("tourist in excursions or at rest"), /services offered/ ("accommodation, meals and other necessary services") and /type of arrangement and internal organization/ ("independent building, generally made of wood, with stone foundation, with specific local architecture"). Comparing the two definitions in Romanian and Spanish, in Romanian it is defined as "unitate cu activitate hotelieră" (hotelier activity unit), while in Spanish it is considered as "alojamiento turístico extrahotelero" ("extra-hotelier tourism structure" - my translation). In Spain[7], the hotelier structures are classified into two groups: *hotels* (hotels, apartment-hotels and motels) and *pensions*. In Romania[8]

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[7] Real Decreto 1634/1983, de 15 junio Ordenación de los establecimientos hoteleros.
[8] OMDRT nr. 899/2011 NORME METODOLOGICE PRIVIND ELIBERAREA CERTIFICATELOR DE CLASIFICARE, A LICENȚELOR ȘI BREVETELOR DE TURISM.

these structures are classified depending on other criteria: *tourist structure, tourist structure with public catering services* and *tourist accommodation structure.*

In Spanish, after analyzing the characteristics present in both definitions, the correspondent term for "cabin" is REFUGIO DE MONTAÑA. The term CABAÑA refers in Spanish to another type of structure that does not have tourism connotation[9]. But we must not translate this term into Romanian by *refuge* because *refuge* refers to another type of tourist structure[10].

• For PENSION we have two terms considered as synonyms: *casa de huéspedes* or *pensión.* (,,[...] aunque existen muchos otros, los tipos de casa más habituales desde el punto de vista turístico son la casa de huéspedes o pensión") (DTTO 2006: 200). The specialized Spanish dictionary presents only the term PENSIÓN and assigns it into the category of extra-hotelier tourist structures, with a very general and negative definition (,,por su estructura y características, no alcanza los niveles exigidos para ser considerado hostal o establecimiento hotelero") which is, at the same time, a little ambiguous. In Romanian it is clearly defined by using the hyperonym "unitate (cu activitate hotelieră)" (LTT). In DTT, the definition places the term as 1st degree hyponym of *pension* and it is designed to "accommodate and serve tourists".

The analysis of definitions in general dictionaries

From the perspective of general dictionaries, the terms are not marked as belonging to tourism. In some cases there are indications that remit to tourism but in most cases the terms belong to the general lexicon. We remark the absence of diastratic marks in Romanian DEX and DEXI. We find the same situation in the Spanish DRAE, the terms do not have diastratic marks. The term HOSTEL is missing from the entries in the Romanian dictionaries, while in Spanish it exists both in general and specialized dictionaries.

The term HOTEL is included in the tourism field only by the existence of the verb "to rent" and the noun "travellers" (DEX). Both dictionaries are being consistent about the "temporary accommodation" present in specialized dictionaries by mentioning the fact that it is "rented, usually, by day" (DEX), "for rent on short term, usually by day" (DEXI). In Spanish, the term is clearly assigned to tourism (,,establecimiento de hostelería") but it does not offer much specific information, it only presents the fact that it is "capaz de alojar con comodidad a huéspedes o viajeros" ("able to comfortably accommodate guests or

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[9] cabaña. 1. f. Construcción rústica pequeña y tosca, de materiales pobres, generalmente palos entretejidos con cañas, y cubierta de ramas, destinada a refugio o vivienda de pastores, pescadores y gente humilde. (DRAE 2001: 374).

[10] REFUGIU (OCAZIONAL), construcţie pe munte, echipată sumar şi modest, prevăzută adesea cu o trusă de prim ajutor. În general nepăzit, **refugiul** ocazional este destinat să adăpostească turiştii în cursul unei ascensiuni (,,*refugiu de supravieţuire*"). Conform Ord. preşed. A.N.T. nr. 61/1999, refugiile turistice sunt ,,*cabane izolate care nu îndeplinesc criteriile minime pentru categorie*" (conform Ord. M.T. nr. 87/1992, nu se admit ca spaţii de cazare încadrate la o categorie superioară celei a unităţii de cazare din care fac parte, iar la unităţile de 4 şi 5 stele nu se admit spaţii încadrate la altă categorie decât cea a unităţii), ele funcţionând în continuare cu un număr redus de personal. (LTT 2002: 152)

travellers" – my translation). This "comfortable accommodation" has as its correspondent in Romanian "furnished rooms".

The term APARTMENT HOTEL is not mentioned in any general dictionaries, being a specialized type of *hotel*.

MOTEL is clearly defined in Romanian as a hyponym of *hotel*, "located outside the cities, on an (important) tourist itinerary" (DEX), "on an intensely circulated highway or on an (important) tourist itinerary" (DEXI). The difference between the definitions in Romanian and Spanish is the semantic characteristic /duration of stay/ "for a short period of time"; in Spanish it is mentioned in the specialized dictionary but misses in the general one. In Romanian it is present in one of the two specialized dictionaries (LTT) and in one of the two general dictionaries (DEX) and is missing from the other sources. And another fact is that in Spanish it is defined as "establecimiento público" (public establishment) and not as a hyponym of *hotel*, "situado fuera de los núcleos urbanos y en las proximidades de las carreteras".

HOSTEL, as pointed before, is a term that does not appear in general or specialized Romanian dictionaries. In Spanish it is defined as a hyponym of the noun "house" that offers accommodation facilities and meals for a fee but without offering more details, the definition thus being very general, lacking specific information and generating ambiguities.

VILLA, according to DEX, DEXI and DRAE definitions, is a term that belongs to the general lexicon. The only tourist connotation is present in DEXI, and it mentions, besides the main use as "dwelling", that of a place "destined to accommodate holiday makers". The term is a hyponym of „casă", „locuinţă", „edificio" ("house", "dwelling", "building") and it has as a special characteristic being "located close or inside a garden".

BUNGALOU (RO) and BUNGALOW (SP) is another term that belongs to the general lexicon. In the general dictionaries this term does not have tourism connotations; DEXI indicated the fact that this type of "house" is "used during holidays" and this is the only element that can point to tourism. It is a hyponym of „casă", „locuinţă" (house, dwelling) and it is presented as "small" with "one floor" („un singur nivel", „una sola planta") or "without a floor". The definition from DEXI locates this type of construction "in the countryside or at the seaside" in obvious contrast with the specialized definition from the tourism legislation („Bungalourile sunt structuri de primire turistice de capacitate redusă, realizate, de regulă, din lemn sau din alte materiale similare. În zonele cu umiditate ridicată (munte, mare) acestea pot fi construite şi din zidărie"). The most accurate location is presented in DRAE: „en parajes destinados al descanso" which means "in places designed for rest".

In Spanish we notice that the term CABAÑA (cabin) has the same definition as the term BUNGALOW. For this reason we could be tempted to consider these two terms as synonyms. But the term that presents more characteristics similar to the term in the tourism legislation is REFUGIO. In Romanian we have the term CABANĂ (cabin) which is a hyponym of "house" and which has tourism connotations by indicating the beneficiaries (tourists, hunters, etc.).

PENSION is a hyponym of "house", "restaurant", that offers accommodation or just meals. It has a commercial connotation (for a fee / in exchange for an amount of

money) but also a tourism connotation by the use of the verb "to accommodate". In Spanish, the beneficiaries are „huéspedes" (guests) while in Romanian the indefinite pronoun "someone" is used.

Conclusions:

The language of tourism is a language at the border with general language. The transfer of semantic information is not made only along the direction specialist → non-specialist, this language being influenced by the relative, fluid use of terms by the non-specialists.

From the formal point of view, we have identified two situations:

a) There are terms that maintain the form in which they have been identified in all sources: HOTEL, HOSTEL, VILLA, BUNGALOW and TOURISTIC PENSION.

b) Terms that modify their form depending on the source: APARTMENT-HOTEL / APARTHOTEL, MOTEL / MOTO HOTELS, CABIN / TOURISTIC CABIN.

From the conceptual-semantic perspective, the terms present characteristics that slightly vary from one source to another:

For example, for the term MOTEL, the accommodation capacity is described in LTT as "average or small", in DTT is "small or medium", using the adjective "medium" as synonym for "average". The services offered are explained in LTT (to satisfy / meet the accommodation and nourishment needs of motorist tourists in a short stay; to ensure the safe parking of their cars) while in DTT all these are briefly mentioned by "offers tourism facilities / services, especially for the motorist tourist".

There is an important difference between definitions in the case of the term CABIN. In LTT it is mentioned as TOURISTIC CABIN and in DTT the term CABIN is employed. LTT describes the accommodation capacity, location, beneficiaries, services offered and the type of arrangement and internal organization. In DTT these characteristics are not stated; only the beneficiaries, the services offered and the type of arrangement and internal organization are briefly mentioned. DTT defines the structure while LTT defines the concept ascribed to the domain of reference.

For the term VILLA, the location is indicated in LTT in a more precise way "in a resort or in a tourist area or locality".

In Romanian, the semantic component /type of arrangement and internal organization/ for the term BUNGALOW is described in several ways: "with one floor" (DTT), "without a floor" (DEX) and "with one level" (DEXI), while LTT leaves this component empty. Thus, the lack of agreement between DTT and DEX is obvious (concerning the existence and, respectively, absence of the floor). In Spanish, the manners of definition for the term are consistent – "with one floor" (DRAE and DTUR).

The term HOSTEL is absent from the specialized and general Romanian dictionaries. In Spanish it appears in both types of sources. In the same way, APARTMENT-HOTEL is absent from Romanian and Spanish general dictionaries. All the other terms analyzed have been identified in specialized and general dictionaries.

The basic components (/tourist structure/ and /accommodation facility/) are present in both sources of analysis.

DTUR proves to be the poorest specialized dictionary regarding the semantic components analyzed in this paper. General dictionaries do not always indicate the tourist connotations of the terms, either by the diastratic marks or even by the conceptual-semantic content. This is a sign for the interference of the analyzed terms with general language.

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BUDGET OF THE EU FOR 2014-2020. RESULTS OF THE NEGOTIATIONS IN THE LIGHT OF THE POLISH AGRICULTURE INTERESTS

Sebastian Stępień, Alexandra Mironescu[1]

Abstract

The objective of the paper is to present the results of negotiations on the EU budget for 2014-2020, with particular emphasis on the Common Agricultural Policy. Authors indicate the steps for establishing the budget, from the proposal of the European Commission presented in 2011, ending with the draft of UE budget agreed at the meeting of the European Council on February 2013 and the meeting of the AGRIFISH on March 2013 and then approved by the political agreement of the European Commission, European Parliament and European Council on June 2013. In this context, there will be an assessment of the new budget from the point of view of Polish economy and agriculture.

Keywords: EU budget, Common Agricultural Policy, new financial perspective, Polish agriculture

JEL Classification: E02, E61, F51, F55, Q18

1. Introduction

The main aim of this paper is to present the EU budget proposal, especially with regard to the agricultural sector, which has been initially agreed at the meeting of the European Council on 7-8 February 2013 and the meeting of the AGRIFISH on 18-19 March 2013 and approved by the political agreement of the European Commission, European Parliament and European Council on 27th June 2013[2]. The voting on the legal regulation, which is the final legislative version of the new EU budget, is going to take place in autumn 2013[3]. This publication compares the CAP financing proposal with the current budget and the European Commission reform proposal from 2011. The analysis of the total EU budget for the next seven years will play a role of an introduction to these considerations.

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[1] Sebastian Stępień, PhD, Assistant Professor at the Poznań University of Economics, Poznań, telephone number: +48696411391; e-mail: sebastian.stepien@ue.poznan.pl;

[2] On 3rd July the European Parliament passed the resolution in which it supported a political compromise with governments, which concerned the EU budget for 2014-2020. 474 MEP supported the budgetary compromise, 193 were against and 42 abstained from voting.

[3] Until then one should determine contentious issues, which were not resolved during the tripartite negotiations. This issues with regards to common agricultural policy are i.a. level of the maximum money transfer from the second to the first pillar of the CAP or limit of direct payments per one farm.

At the beginning, the article presents the general assumptions of the budget for 2014-2020, then agricultural funding under the EU budget is pointed out. On the basis of the information contained in the paper, the assessment of the new budget from the polish economy and agriculture was made. Article is a review of official UE documents as well as set of authors' opinions.

2. Budgetary conditions of the future financial perspective

It took the European Council and the European Parliament two years to reach a compromise after the European Commission presented a proposal of the EU budget and the Common Agricultural Policy (CAP) reform. Negotiations between Member States were very difficult, since there was no agreement on some of the proposed solutions. As far as the general direction of changes is concerned, one can distinguish three parties. The first one voted for maintaining current level of budgetary expenditures; the second one opted for strengthening the budget, like it was done in previous budgets; and the third one, which is seen as the most far-reaching, assumed reduction of support and re-nationalization of some measures [European Commission, 2011]. From the perspective of the last few months, it can be concluded that the EU budget and the CAP budget for 2014-2020 reform project combines elements of the first and the second option and it definitely rejects the idea of re-nationalization of the EU policy. The latter would be difficult to accept especially by poorer EU Member States, not only because they are now a net beneficiary of financial flows related with the CAP, but also because of the possibility of diversification of the agricultural support level within the single market and thus distorting competition [Czyżewski, Stępień, 2009, pp. 451-452]. Finally, it was agreed that CAP would remain a common policy, however with reduced budget. Reductions affected also Poland, especially in terms of rural development funds.

The EU budget for 2014-2020 was determined during economic slowdown in the European Union. Many governments had problems with public debt, especially those from the PIIGS group (Portugal, Italy, Ireland, Greece, Spain). Additionally, the financial institutions (mainly German and French banks), which were engaged in financing such debts, required help. Under these conditions appeared proposals of reducing EU budget and re-nationalizing some measures. The United Kingdom was a leader of this party and was supported by countries such as Sweden, the Netherlands and Denmark. Also Germany, the biggest net payer, voted for lower budget, because they were looking for some savings due to the financial help transferred for Greece. The starting point for the new financial perspective for 2014-2020 was the European Commission proposal, which assumed commitments[4] at the level of 1025 billion euro, taking into account the budget for 2007-2013 (1035 billion euro). During the negotiations, Cypriot Presidency reduced that

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[4] The EU budget is presented in two versions: as commitments and as expenditures. Commitments represent the EU budget on an accrual basis and include the total value of all contracts that the EU may sign during the given period. The budget expenditures are presented on a cash basis and relate to the actual cash that are available in the EU budget for the given period. The commitments and expenditures can be equal (e.g. expenditures on administration, direct subsidies, intervention in the agricultural sector) or different from each other (in terms of long-term programs). See [European Council, 2002].

figure by 50 billion euros (however if one calculates programs supporting innovation, which were placed outside MFF, the reduction amounted to 70 billion euros) and the European Council, chaired by Herman Van Rompuy, by another 40 billion euros (although the British demanded 200 billion euros cuts).

Finally, on 7-8 February 2013, at the next European Council meeting, the EU budget in commitments has been approved at the level of 996.8 billion euros (in constant prices of 2011, budget at current prices is expected to reach 1125.1 billion). Multiannual financial framework[5] (MFF) equal 960 billion and 36.8 billion is recorded outside the MFF [European Council, 2013]. This means that the cutting, compared to the initial proposal of European Commission, amounted to 2.7%. Finally, the budget for the new financial perspective remains almost unchanged compared to the period 2007-2013 and this is the first such case since the programming of multi-annual budgets (so-called Delors Package for 1988-1992)[6]. At the same time, the share of the total EU budget in the Member States' GDP is expected to fall from 1.03% in 2014 to 0.98% in 2020.

It is worth to consider the outcome of budget negotiations. Is it a success of the whole European Union or only some of the states benefited? One has to start, however, with an explanation of what would have happened if there had been no final agreement. In this case, the EU would act on the basis of the provisional budget, which would mean that the funds for the next year would be calculated based on the amount of the year 2013 (the last year of programming), plus 2% inflation. In arithmetic terms, the EU budget would therefore be higher than the one accepted on 8th February 2013. Polish participation would also have been bigger. This situation, however, would create uncertainty with regard to design and distribution of the budgets in the coming years. It would be also more complicated procedurally. Determining the financial framework for seven years gives a guarantee of the long run money allocation, which makes it easier to build a long-term development strategies in the Member States. The biggest winner in this situation appears to be the United Kingdom, for which the annual provisional budgets would result in a loss of the so called British rebate (in 2011 it was 3.5 billion euros, while the British contribution to the EU budget amounted to 11.2 billion euros). On the other hand, budget agreed at the European Council meeting can be seen as a partial success of these countries, which from the beginning opted for limiting the EU spending and the loss of those countries that have so far received the biggest part of the EU funds.

Looking globally, the decision to freeze the EU budget spending weakens further development of the community by reducing funds for investment in research and innovation, support for small and medium-sized enterprises, the strengthening of international competitiveness. It turned out, unfortunately, that national interests of

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[5] With regard to the Article 312 of the Lisbon Treaty, multiannual financial framework concern at least five-year budget and are set out in the Regulation of the European Council following the agreement from the European Parliament. MFF determine the maximum annual EU expenditures as a whole and the limit for the each item in the budget (competitiveness, cohesion, agricultural policy, administration), but they are not as detailed as the annual EU budgets. Crisis reserve, the European Globalisation Adjustment Fund, Solidarity Fund and the European Development Fund are outside of the MFF for the period 2014-2020.

[6] For example the EU budget for 2007-2013 (in prices of 2004) increased compared to budget for 2000-2006 by 57%, although it should be remembered that in those years the Community has accepted 12 new countries (10 in 2004 and two in 2007). See [Polarczyk, 2004].

individual countries outweighed the interest of the Community as a whole. In this situation, it is difficult to expect that the EU will become the "most dynamic and competitive economic region in the world", growing faster than the United States, which at the beginning of the twenty-first century assumed the Lisbon Strategy [Urząd Komitetu Integracji Europejskiej, 2002]. In addition, it must be emphasized that looking for the savings in the EU budget by some of the richer countries of the "old" EU at the expense of poorer EU-12 - the beneficiaries of EU aid - is ineffective action. This is because it does not account trade creation and diversion effect at the single market. Each euro invested in the new Member States, bringing the old EU countries average about 60 cents of profit from additional exports and investment projects (but in the case of Germany it is up 1.25 euros, and in the Netherlands 83 cents) [Krawiec, 2012]. Thus, the higher the EU budget, the greater the benefit of all EU states. The EU budget cannot be judged solely on the basis of a simple calculation, it is necessary to look wider and consider the multiplier effects, but about those is often forgotten.

The Common Agricultural Policy in the EU budget

The total EU budget for 2014-2020 (in constant prices of 2011) amounts 960 billion euros in commitments (together with funds outside the MFF - 997 billion euros). It is going to increase from 134.2 billion in 2014 year to 140.2 billion in 2020. This increase results from higher spending on cohesion policy and administration, while the budget for the sectors associated with the management of natural resources[7] will decrease from 55.9 billion euros in 2014 to 50.6 billion in 2020. Thus, the share of the EU agricultural policy in the EU total budget (according to the obligations under the MFF) is going to fall in the coming years from 42% to 36%, while the share of cohesion policy will increases from 45% to 49%. This is a continuation of initiated in the period 2007-2013 tendency to strengthen the role of cohesion policy at the expense of agriculture and rural development, although it is assumed that regional funds will play a greater role in financing of rural areas. It is noteworthy that in the eighties of the twentieth century the share of agriculture and rural areas amounted to 65% of the EU budget, in the nineties - 55% and in the first decade of the current century, more than 45%. At this point, however, we will not evaluate this process, because the main objective of the paper is to identify changes within the CAP.

Proposed funds for the Common Agricultural Policy 2014-2020 amount in total 373.3 billion euros. These are predominantly funds for the first pillar of the CAP - 278 billion (i.e. 74.4%), of which the vast majority for direct payments (market intervention is a small part of the first pillar). Funds for rural development (pillar II) are 84.9 billion, which amounts less than 23% of the total funds for the "natural resources" (the remaining 2.8% are for maritime affairs and fisheries). Compared to the period 2007-2013 [Russel, 2012, pp. 87-108] one can notice a decrease of spending on activities related to the natural

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[7] This includes the first pillar of the CAP, that is direct payments and market intervention, the second pillar of the CAP, that is funds for rural development and maritime affairs and fisheries.

resources by 11.3% (47.5 billion euros). Funds for the first pillar decreased by 17.5%[8], however funds for rural development increased by more than 9%[9]. If one compares the two years only - the last year of the old budget(2013) and the first year of the new one (2014), spending on the first pillar decreased from 45.1 billion euros to 41.6 billion euros and the measures under the second pillar increased from 13.7 billion euros to 14.3 billion euros. Thereby the share of the second pillar in the EU agricultural policy is higher. Summing up, the decrease of the CAP funds in the total EU budget proves that the Community gives the priority to activities aimed at increasing the competitiveness of European economies and their cohesion. At the same time the increase of the CAP second pillar spending highlights a new approach to agricultural issues, in which non-productive functions and the public goods are becoming increasingly important [Czyżewski, Stępień, 2011, pp. 9-36].
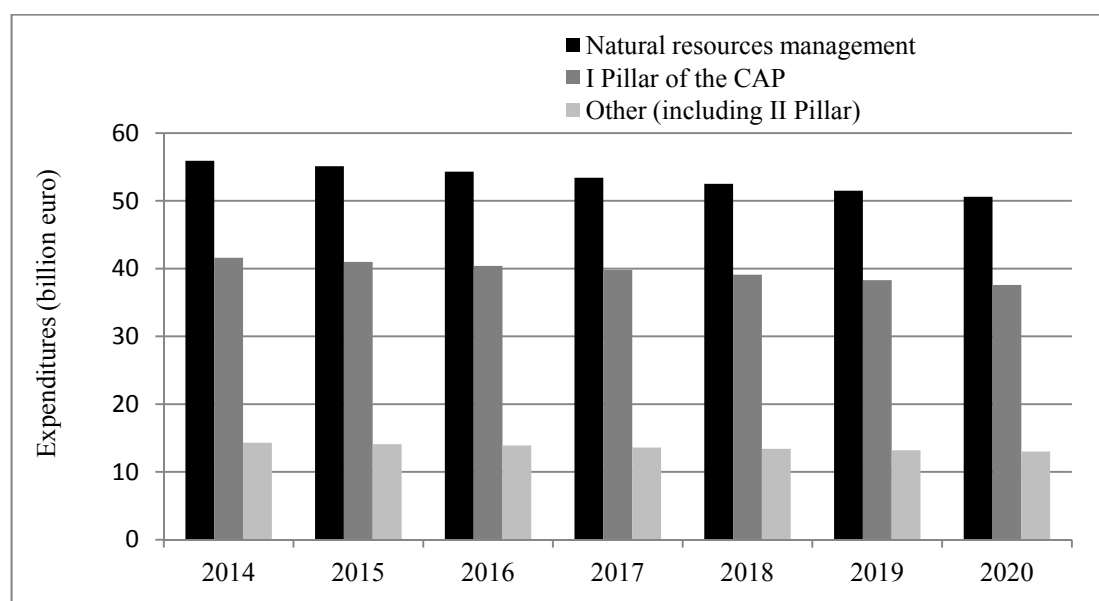
Figure no 1. EU budget for the position "Natural resources management" in the years 2014-2020.
Source: European Council - General Secretariat of the Council. 2013. The European Council 7-8 February 2013 - Conclusions (MFF) [EUCO 37/13]. Brussels, 8th February.

It is worth to compare the compromise concerning the CAP budget obtained at the European Council meeting with the proposal of the European Commission from June

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[8] Decrease in the expenditure under the first pillar, which is in fact the direct payments, is so important because in the period 2007-2013 the new Member States have failed to get the full payment from the EU budget. They are under the system called phasing -in. Direct subsidies financed entirely from the EU budget, these countries will receive in 2013.
[9] Based on constant prices of 2011, the CAP budget for 2007-2013 is 420.7 billion euro (337 billion euros for direct payments).

2011. Presented project assumed maintain nominal expenditure for the common agricultural policy at the level of 2013. This means that the first pillar - direct payments and market intervention - was to be 317.2 billion, the second pillar - rural development - 101.2 billion, which gave a total of 418.4 billion euros. There were supposed to be some additional funding in the amount of 17.1 billion for food security, crises in the agricultural sector, adaptation to globalization, research and innovation in the field of food security and the bio-economy [Plewa, 2011]. The total budget for agriculture and rural areas was to be 435.5 billion euros. However, after the negotiations of Member States governments this has changed and funds for the CAP amount slightly more than 373.3 billion, which is more than 55 billion lower. The reduction in direct payments amounted to 39.4 billion euros (12.4%), cuts in funding for rural development amounted to 16.3 billion euros (16.1%). It can therefore be concluded that the generally lower level of the EU budget for 2013-2020 is a result primarily of agricultural expenditure savings.

EU funds for Poland and Polish agricultural sector

As the result of agreement reached by the EU leaders in February 2013, Poland is going to receive total support in the amount of 106 billion euros (in constant prices of 2011), i.e. 4 billion more than in the period 2007-2013. 72.9 billion has been designated for the cohesion policy, 18.7 billion for direct payments and 9.8 billion will be allocated to rural development (compared to the 2007-2013 period, the share of cohesion policy and direct payments increases and of funds for rural development decreases) [Guba 2013]. Thus, Poland, as a big country and less well-off compared to other EU countries, is the biggest beneficiary of the EU transfers, (though in per capita terms Slovakia, Lithuania, Estonia, Hungary, Malta are going to receive more and the Czech Republic and Croatia more or less the same as Poland). The size of the received funds is impressive, but their level should also be analyzed from a different perspective. One must remember that the amounts for the period 2007-2013 designated to individual countries are calculated based on so called Berlin algorithm[10]. At the same time, in recent years the average level of the EU GDP has decreased, which for 16 regions should lead to automatic exclusion from the group of beneficiaries of the Cohesion Fund for the period 2014-2020. Such exclusion would give around 50 billion euros savings.

Taking into account the current budget allocation mechanism and a new structure of poor regions, Poland could have counted on about 106 billion euros for the period 2014-2020 only from the cohesion policy [Kloc, 2013]. This assumption is based on the fact that all Polish regions (excluding Mazowieckie) are eligible for the EU regional policy objective "Convergence", which includes those areas with a GDP per capita below 75% of the EU average (there is now 84 such areas). Meanwhile, in 2011, the European Commission created a new category called "intermediate regions", whose GDP is between 75-90% of the average EU GDP. After 2013, these regions can count on additional funding from

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[10] Created in 2000, the Berlin algorithm concerns the division of cohesion policy funds between the regions in the Member States. It includes, among others, the number of inhabitants, the unemployment rate, the difference between GDP and purchasing power in the region calculated per capita and compared to the EU average. See [*Lubuskie chce więcej pieniędzy…,* 2013].

regional funds. Mazowieckie is among them, but the regions in France (10), Germany (9), the UK (9), Greece(6), Italy, Spain and Belgium (4 each) gain the most. As a result, the above listed areas will benefit from nearly 40 billion euros at the expense of regions with a GDP below 75%, including Polish regions. A disadvantageous rule for the beneficiary countries of the EU aid was also a reduction of financial support of up to 2.5% of the GDP of the Member State. The European Commission argues that a low absorption capacity and the potential problems with the co-financing justify this decision. Let's recall that in 2007-2013 the limit for Poland was 3.2-3.3% of GDP.

Given the above assumptions, the European Commission has offered Poland in June 2011 80 billion under the Cohesion Policy (of which 25% constituted the European Social Fund, 33% the Cohesion Fund and 42% European Regional Development Fund). The European Council meeting in February 2013 ended up with the amount of 72.9 billion, which is 9% lower. Including measures for the Common Agricultural Policy and other items, compared with the initial draft budget of the European Commission, funds for Poland declined from 111.5 billion to 105.8 billion, i.e. 5.1% (in the total EU it was 2.7%).

But if one compares the period 2014-2020 with the current financial perspective 2007-2013, in the nominal terms Poland will receive about 4 billion euros more. However, the data from the European Central Bank show that since the end of 2005 (i.e. the time when the budget for the period 2007-2013 was calculated) to the beginning of 2013 the inflation in the EU increased by 16% [Kostrzewa-Zorbas, 2013]. This means that the 102 billion granted to Poland for the years 2007-2013, would be in real terms worth 118 billion today and therefore the amount awarded in the new budget is lower by more than 12 billion. Finally, assessing the value of the money received from the EU budget one should compare it with the mandatory contribution to the budget. And so, in the years 2007-2013 Polish contribution to the EU budget amounted to 24 billion euros and in 2014-2020 Poland will pay, according to various sources, between 30 (according to the European Commission forecast) [Polska Agencja Prasowa, 2013] and 40 billion (according to the Polish government's projections for the GDP growth until 2020) [Rada Ministrów, 2012]. This means that Poland will lose from 2 to as much as 12 billion euros.

In the case of the Common Agricultural Policy in the next financial perspective, Poland can count on 28.5 billion euros at constant prices. This is an increase compared to the current financial perspective by 1.6 billion euros. It is worth to remember that the total EU CAP budget is to be reduced by more than 11%, of which the first pillar (direct payments and market measures) of 17.5%. The increase of the funds for Poland is a result of higher amount of direct payments. In 2007-2013 Poland received for this purpose 13.7 billion euros and in the next budget it will be 18.74 billion (increase of 37%). At the same time significantly shrink the money for rural development, from 13.2 to less than 9.8 billion (a decrease of over 25%). In terms of the CAP budget for the period 2014 - 2020, Poland was ranked 5th among all EU countries (after France, Germany, Spain and Italy). However taking into account the measures for rural development (second pillar), Poland, despite the cuts, will receive the most. The following positions are Italy, France, Germany, Spain and Romania (in terms of the first pillar Poland is in 6th place). This "ranking" of countries looks the same as in the 2013. As far as the participation of Poland in agricultural

funds in the new financial perspective, in the case of direct payments it increases from 6.8% in 2013 to 7.1% on average in the coming years and in case of rural development falls from 8.4% to 7.6% [Guba, 2013].
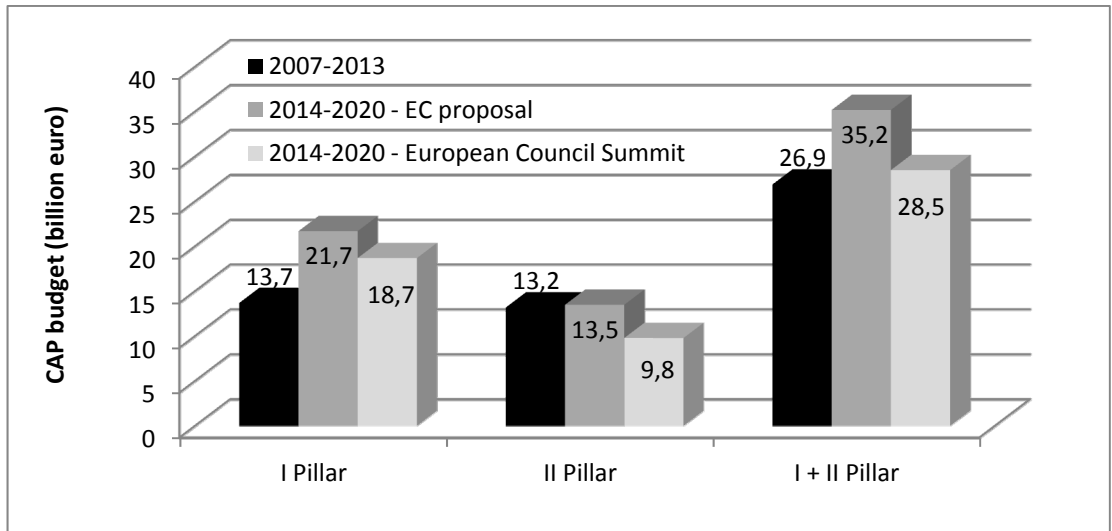
Figure no 2. Common Agricultural Policy (CAP) budget for Poland for the years 2007-2013 and 2014-2020.

Source: European Council - General Secretariat of the Council. 2013. The European Council 7-8 February 2013 - Conclusions (MFF) [EUCO 37/13]. Brussels, 8th February.

Comparing the amount of the CAP funds for Poland in the period 2007-2013 and the proposal of the European Council, one cannot ignore the fact that in the current financial perspective the amount allocated for direct payments was lower due to the process of achieving full subsidies (so-called phasing- in). Let's recall that negotiated at the Summit in Athens compromise (2003) admitted the new Member States in the first year of accession only 25% of the payments, increasing it subsequent in next years. In 2007 (the first year of the current financial perspective) the level of funding amounted to 40%, and first in 2013 the new Member States were given 100% of payment. At the same time the European Commission has left governments of the new member the opportunity to complete payment rates from the national budget (only in the period 2007-2013, the Polish government has allocated for this purpose approximately 6 billion). In 2014, due to the completion of the process of reaching the full direct payments level, the provision of co-financing from national funds was no longer to apply. Thus, the basis for calculating the amount of money for the period 2014-2020 was to be the year 2013. For Poland this amounts to 3.045 billion, which when multiplied by seven years gives a total of 21.315 billion. This amount or even a little bit more (21.7 billion euros), was included in the initial proposal of the European Commission in 2011. In addition, the European Commission proposed 13.5 billion for the second pillar of the CAP. The amount of funds was thus more than 35 billion euros. However further negotiations proved to be much less favorable from the point of view of Polish agriculture and rural areas. Proposal of the

European Council President, Herman Van Rompuy, in November 2012 involved a reduction in funding for Poland by 2 billion and the European Council Summit in February 2013 by further 4.5 billion euros [Zagórski, 2013]. Overall, compared to the initial proposal of the Commission, Poland have lost 6.5 billion, i.e. almost 20% (while the reduction for the EU amounted 14%). In return, the possibility of co-financing of direct payments after 2013 from the national budget has been renewed [*Przywódcy państw UE wynegocjowali…*, 2013].

In the context of the above-mentioned changes, particularly worrisome is much less money for rural development (27% less than in the period 2007-2013)[11]. Measures to improve the competitiveness of the agricultural sector, such as the modernization of farms, entrepreneurship and infrastructure are threatened. For the purposes of the agri-environment schemes, a country must book a minimum of 30% of the second pillar (less than 3 billion euros). If one also takes into account that the obligations arising from the agreements signed in the period 2007-2013 amounts to 1.36 billion euros, the reserve for the "Investment for growth and jobs" 0.7 billion (i.e. 7% of the EAFRD[12] in accordance with guidelines of Common Strategic Framework), measures for Leader 0.5 billion (5% RDP), then in the budget of the second pillar remains slightly more than 4 billion euros [Ministerstwo Rolnictwa i Rozwoju Wsi, 2013a]. If one also includes the possibility to offset some of the money from the second to the first pillar (see later in this paper), the amount for the other purposes of the rural development policy is about 3 billion euros, which is not enough to continue hitherto activities[13]. Although there is a possibility to use some of the Cohesion Funds for the purposes of the RDP, especially in the field of technical infrastructure, construction of roads and broadband Internet, but such transfers of money are limited. On one hand, there are doubts whether the objectives of the rural development programs are consistent with Cohesion Fund rules (e.g. funding of local roads form the Cohesion Fund), on the other hand, 25% of the Cohesion Fund is designated for the so-called green technologies. In addition, one needs to keep in mind that these are still the same money, which means that you have to take it from other areas, which may raise an objection of local governments.

Conclusions

W This paper presents the results of the negotiations on the EU budget for the period 2014-2020, especially in the area of the Common Agricultural Policy. Agreed

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[11] Meanwhile, some of the countries facing special difficulties of a structural nature in their agricultural sectors or countries that have made significant investments in favor of effective implementation of the Pillar 2 (total 16) received additional support under the second pillar, including 1.5 billion for Italy, 1 billion for France, 500 million for Spain and Portugal, 700 million for Austria and 600 million for Finland.

[12] EAFRD - European Agricultural Fund for Rural Development.

[13] The summary report on the implementation of the RDP 2007-2013 (May 2013) shows that the agreements related to the programs of modernization and investments in farms and business development account for approximately 3.5 billion euros. One should also consider programs such as support for "young farmers", food quality schemes, agricultural producer groups and programs for small farms. Taking into account that these programs cannot be financed from the Cohesion Fund, the support is actually lower than in 2007-2013. See [Ministerstwo Rolnictwa i Rozwoju Wsi, 2013b].

solutions has been assessed from the point of interests of Polish agriculture. Based on the analysis and reviewed material, one can draw following conclusions:

- In difficult for the EU years of economic slowdown, countries managed to determine a budget for the next seven years. It gives the opportunity to implement long-term objectives, but it does not meet all expectations. The amount determined for the period 2014-2020 - 997 billion in constant prices of 2011 - is slightly lower than in the current financial perspective and forces to reduce the some expenses, including the development measures. This means that the EU will have to wait to achieve a status of the most competitive region in the world;

- Among the positions of the new Community budget, most cuts concern agriculture, while spending on Cohesion Policy are rising. Thus, the process of getting a lower share of CAP expenditure in the total expenditure of the EU, which started in the 80s, continues and it is a manifestation of the increasing liberalization of the sector. Within the framework of the Common Agricultural Policy, reductions concern direct payments, while spending on rural development increases. This demonstrates a new approach to the role of the EU agriculture, in which it becomes not only a producer of food, but also a supplier various types of public goods, for which farmers need to be compensated;

- Common Agricultural Policy budget 2014-2020 for Poland is a minimum budget. Compared to the period 2007-2013 it is higher by 1.6 billion euros, which is however a result of phasing-in. There has been a significant decrease in the case of funds for rural development, with can result with delays in the process of modernization of the Polish rural areas. Poland should regret that the Commission's proposal could not be maintained, which in the light of the European Council solutions was extremely beneficial for Poland.

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Table no 1. EU budget for the years 2014-2020 (Summit of the European Council on 7-8 February 2013)

EU budget	2014	2015	2016	2017	2018	2019	2020	2014-2020
1. Competitiveness and social and territorial cohesion	60283	61725	62771	64238	65528	67214	69004	450763
2. Natural resources	55883	55060	54261	53448	52466	51503	50558	373179
including direct payments and market intervention	41585	40989	40421	39837	39079	38335	37605	277851
3. Security	2053	2075	2154	2232	2312	2391	2469	15686
4. European Global Fund	7854	8083	8281	8375	8553	8764	8794	58704

5. Administration	8218	8385	8589	8807	9007	9206	9417	61629
6. Compensations	27	0	0	0	0	0	0	27
Total commitments	134318	135328	136056	137100	137866	139078	140242	959988
Share in European Union GNP	1,03%	1,02%	1,00%	1,00%	0,99%	0,98%	0,98%	1,00%
Commitments outside Multiannual Financial Framework	4353	5269	5312	5364	5425	5495	5575	36794
Total budget	**138671**	**140597**	**141368**	**142464**	**143291**	**144573**	**145817**	**996782**

Source: European Council - General Secretariat of the Council. 2013. The European Council 7-8 February 2013 - Conclusions (MFF) [EUCO 37/13]. Brussels, 8th February.

SYNOPSIS OF IZMIR REGIONAL PLAN AND INTERPRETATIONS ABOUT TOURISM IN IZMIR

Assistant Professor Yakin EKIN*
Assistant Professor Onur AKBULUT**

ABSTRACT

This study aims not only to create a summarized background for the effective and efficient use of the potential of Izmir by providing the strategic planning works and institutional and sectoral strategy documents with different purposes realized by all relevant institutions and organizations in Izmir and Aegean Region to steer towards the same priorities and aims, but also focuses on a criticism and comparison viewpoint about tourism sector in Izmir.

Keywords: Regional Plan, Izmir, Tourism

INTRODUCTION

Izmir has been one of the most important western gates of Anatolia to Mediterranean World during history. By means of its defined role and geographical facilities, Izmir and its region are inhabited continuously since 4000 B.C. (Kuban, 2001)

Today, Izmir is the third-largest city in Turkey and has made great studies in the agricultural, industrial, and commercial and tourism sectors. It has also become a major educational center. Izmir's 629-kilometer coastline, its priceless archeological and historical works of art, and its thermal springs have contributed to the growing development of its tourism sector (---The pearl of the Aegean, 2005).

Izmir continues being an important trade center in the region and in Turkey as it was in the past, with its unique geopolitical position, its position as Turkey's gateway to Europe, its fertile lands and its proximity to the important consumption areas in Turkey, its ports, its refineries, free zones, organized industrial zones, educated workforce (---Izmir City Marketing Strategic Plan, 2010).

Izmir is a hub of educational and health services and of cultural and arts activities not only for the Aegean region but for the entire country (---The pearl of the Aegean, 2005).

It continues to play the leading role in development of the Aegean region. Izmir is today, as in the past, the shining star of the Aegean region (---The pearl of the Aegean, 2005).

Taner (2002) summarized the period between 1950 and 1970; by means of agricultural mechanization, a migration from rural sides to urban areas began. Izmir has effected this migration like other cities that had economic opportunities in 1950s. As a

result of this trend, squatter housing became an important urban problem in Izmir. Planning works concentrate on this topic.

Planning works tried to control aforementioned developments of Izmir Metropolitan Area between 1950 and 1970.

Present day Izmir Regional Plan 2010-2013 (IZBP) is the essential policy documentation that presents the progress axes, aims and priorities of the development strategy to be realized by Izmir with an integral approach in economic, social and cultural fields.

In this context; IZBP has been prepared, towards realizing the vision of "Developing and Growing, Innovative Izmir" that was determined with the attendance and shared opinions of all institutions and organizations, non-governmental organizations, universities and private sector, within the framework of the Ninth Development Plan (2009-2013).

In IZBP, a participative strategic approach has been followed that unfolds Izmir's potential resources, opportunities and strengths, prioritizes the problems and covers the aims towards those priorities.

PLANNING APPROACH AND METHOD

Regional plans are deemed the fundamental document to be basis for maintaining the regional

development and implementing the planning activities within the region. In our country, the Zoning Law No. 3194 establishes the basis for the regional plans. In the Zoning Law, three main plan stages namely; regional plans, landscape plans and zoning plans are stipulated and the regional plans are shown at the first step of these stages. The regional plan prepared by taking the strategic planning approach as the basis is the coordination, direction and strategy document for realizing the region's development with the following means;

• determining the relationship between the policies, plans and strategies generated at national level and the activities to be carried out at local level,

• strengthening the cooperation and coordination between the institutions and organizations existing at local level,

• fastening regional development, ensuring its sustainability,

• triggering local potential by realizing the efficient and effective use of resources, and forming a basis for the regional programmes and projects.

2010-2013 Izmir Regional Plan Process

Within the framework of the 2010-2013 Izmir Regional Plan (IZBP) preparation works, initially the process design work has been realized. In this stage, the things to be done in the planning period have been set forth and the process has been designed by determining the steps to be followed (--Izmir Regional Plan 2010-2013, 2010):

The plan has been produced with strategic planning approach, in the light of the aspects below:

• Realizing consensus and participation at every stage of planning,

• Utilizing quantitative analysis methods,

• Designing as a plan that is to be completed with actions.

The main purpose behind the preparation of IZBP is to evaluate and activate the interior dynamics and development potential of Izmir. Within the framework of this main purpose of the plan, national-scale plans and sectoral strategies have been examined, foreign countries' regional development plans and preparation stages have been studied.

In result of all these studies, a plan preparation process that is participation-based and that encompasses all actors focusing on socioeconomic development within the region has been designed (Figure 1).

Process stages are as given below.

I. Stakeholder Analysis studies

II. Situational Analysis studies

a.“A Socioeconomic Outlook for Izmir Region (TR31)” Report

b.“Izmir Emerging and Strategic Sectors” Report

c.Conclusion Report on Studies Towards Developing Izmir Clustering Strategy

d.Izmir Situational Analysis (June 2009)

III. Vision and Main Purposes studies,

IV. Participative meetings and workshops,

V. Compiling results, determining performance criteria and writing the plan.

Figure 1. Plan Preparation Process

Stakeholder Analysis

A part of situational analysis in strategic planning, Stakeholder Analysis is an important tool for both participation and for the plan to be recognized, adopted and embraced by the local stakeholders.

Within the framework of the stakeholder analysis, an analysis study encompassing approximately 500 institutions and organizations including IZKA Development Council members has been realized. In the light of this analysis, the works based on the plan's participation main principle have been carried out (--Izmir Regional Plan 2010-2013, 2010).

Situational Analysis

The purpose of the Situational Analysis studies is to determine the correct development axes, strategies and aims for the region. For that purpose, the first step within IZBP's preparations has been to set forth reports and analyses based on quantitative and qualitative data that display an overview of the Region. In result of the study, problems and potentials of the region have been revealed. Within the context of the Situational Analysis works, the below given studies have been done(--Izmir Regional Plan 2010-2013, 2010):

I. Strengths, Weaknesses, Opportunities and Threats (SWOT)
Analysis
II. Izmir Situational Analysis (June 2009)
III. Sectoral analysis reports, Izmir Emerging and Strategic Sectors
Report and Conclusion Report on Studies Towards Developing
Izmir Clustering Strategy

Within the frame of Izmir Situational Analysis, the report that set forth the emerging and strategic sectors of Izmir, studies towards developing Izmir's clustering strategy, conclusion report studies and the analysis studies realized on some certain sectors have contributed inputs to IZBP.

The reports published by the Agency during the Situational Analysis step such as "Izmir Region (TR31) Situational Report" and "Izmir Situational Analysis (June 2009)" as well as the findings of SWOT analyses have all revealed problems, potentials and draft strategic development axes. These development axes have defined the focus of all participatory workshops held during preparation of the plan.

Vision and Main Purposes

In parallel to the Situational Analysis studies, works towards determining the vision, main purpose and principles of the plan have been continued. Surveys have been conducted for determining the vision. Alternative comments regarding the vision have been received from workshop participants again with surveys. Lastly, the opinions of the Development Board have been asked via surveys on which among the three alternatives revealed in result of the survey, meeting and workshop studies should be chosen as the

development vision of Izmir. Survey results have been presented to the Executive Board and thus the vision of Izmir within 2010- 2013 Izmir Regional Plan context has been defined (--Izmir Regional Plan 2010-2013, 2010).

Participative Meetings and Workshops

In light of the initial findings revealed from Situational Analysis studies, after the vision alternatives and IZBP's main principles and purposes were defined, the stage of realizing participative meetings for finalizing plan's development axes and determining strategic priorities and aims has been initiated. Within the framework of the development axes, both thematic and sectoral workshops have been realized, and in result of these studies, the plan's main strategic document has begun to be formed together with the opinions of the local stakeholders. The meetings held within this context may be evaluated under the three stages below(--Izmir Regional Plan 2010-2013, 2010):

I. Contact Meeting
II. Development Axes Workshops
III.Sectoral Workshops

The first among the meetings held for the purpose of informing the local stakeholders in Izmir regarding the IZBP process and the studies conducted was the IZBP Contact Meeting. In the meeting, the stakeholders have been informed about why the Regional Plan is developed and on the results of the preparations and studies conducted. In this meeting, awareness at local level regarding IZBP has been created and preliminary information has been given regarding the workshop studies to be held at later stages. Following the contact meeting, workshop studies on strategic priorities and aims have been conducted. From various institutions and organizations, a total of 127 representatives who are specialists at their field have joined these studies.

The last set of meetings has been realized within the framework of the sectors revealed to be prioritized and approved within the context of IZBP. Participative studies for the key sectors within IZBP have been realized in cooperation with various institutions in Izmir.

Compiling the Analyses and the Results, Writing IZBP

Along with the inputs obtained through the review of the analysis studies, reports and national strategy documents; the axes, priorities and aims of IZBP have been reviewed and four development axes and five key sectors have been determined.

After another opinion exchange at local stakeholders scale, IZBP has been approved by the IZKA Executive Board and then sent to the attention of the Undersecretariat of State Planning

Organization (Devlet Planlama Teşkilatı Müsteşarlığı - DPT). IZBP, which is a first in our country among regional plans that are of the most important tools of regional development, has then been presented to the opinions and comments of 35 institutions and organizations at national scale, via DPT. IZBP which has been finalized after the evaluation of these opinions and the suggestions, has been approved by DPT on June 16,

2010, thus coming into force as the first regional development plan prepared by regional development agencies in Turkey and approved by DPT (--Izmir Regional Plan 2010-2013, 2010):

IZBP's Vision, Fundamental Principles and Purposes

The vision of 2010-2013 Izmir Regional Plan (IZBP) has been determined as "Developing and Growing, Innovative Izmir". While reaching this vision, the principles that shall be followed as basis are given below(--Izmir Regional Plan 2010-2013, 2010):
  • Equality and Social Inclusion
  • Sustainable Development
  • Participation

Equality and Social Integration

The principle of equality encompasses, beyond a figural equality, the obligation of acting equally to those under same situations, in regards to rights and duties, benefits and commitments, authorities and responsibilities, and opportunities and services. The principle of Equality and Social Inclusion defines the condition of accessibility for the individuals towards fields of social sphere such as education, health, culture, employment, and their effective functioning in such fields within the concept of equal opportunities (--Izmir Regional Plan 2010-2013, 2010).

Implementations towards social inclusion encompass policies that shall eliminate discrimination and social exclusion triggered by various social disadvantages (handicapped people, poverty, etc.). IZBP adopts equality and social inclusion as a general principle in all processes within the context of its priorities and aims.

Sustainable Development

Sustainable Development is an integrated approach that aims for the realization of a programming in harmony from today towards the future with all relevant economic, environmental and social viewpoints by setting up a balance between the needs of human life and sustainability of natural resources. IZBP has handled sustainable development with an integrated approach (--Izmir Regional Plan 2010-2013, 2010).

Participation

In IZBP, it is essential to strengthen social dialog and participation, thus to provide public contribution and embracement, as was defined within the Ninth Development Plan. IZBP has been prepared, under the coordination of Izmir Development Agency, with the contributions of public institutions and organizations, private sector and non-governmental organizations in Izmir. Within this context, with the conducted face to face interviews, surveys, workshops, round-table meetings, study visits, search conferences and sector meetings, the views and evaluations of approximately two thousand people have

been gathered. As it has been stated in the Ninth Development Plan, providing societal contribution and ownage by strengthening societal dialogue and participation, is also fundamental in IZBP within the context of its priorities and aims.IZBP has been grounded the following three fundamental purposes for the realization of the vision adopted:
    • Providing Competitiveness with Innovation, Productivity and Capacity Increase
    • Increasing the Quality of Life
    • Protection and Effective Use of Natural and Cultural Resources (--Izmir Regional Plan 2010-2013, 2010).

GENERAL OVERVIEW OF IZMIR REGION

Demographic Structure

Izmir is above the overall median age values of Turkey (28.5) and Aegean Region (32.2) with its value of 32.4. While the elderly population ratio is 6.84% in Turkey and 8.70% in Aegean Region, it is at 8.05% in Izmir. While these data show that Izmir is one of the cities with the most elderly population, social services and care institutions towards this elderly population are not at adequate levels. The number of education institutions for the handicapped people is also insufficient. Regarding population density, Izmir is quite above the values of 2 both the Aegean Region (105 person/km) and Turkey average (93 2 2 person/km) with its density value of 316 person/km and is thethird province with the densest population throughout the country. While the birth rate is much lower in Izmir (1.75) compared to both the Aegean Region (2.04) and Turkey average (2.53), the population increase rate is strikingly high. This situation may be explained substantially with immigration phenomenon. Aegean Region and Izmir are at the top of regions and provinces receiving immigrants, and Izmir is an immigrant attraction centre at both regional and national scale. In Turkey, urban population ratio is 75% while the same ratio is 90.89% in Izmir. Izmir, with its population density increasing and urbanizing faster than country overall level, needs strong and effective policies especially in subjects such as planned urbanization, contingency and disaster administration, transportation and environment (--Izmir Regional Plan 2010-2013, 2010).

Economic Structure

According to the current prices generated by the Turkish Statistical Institute (TÜIK) based on the most up-to-date 2001 data; regarding gross domestic product (GDP) per capita values, Izmir is above the Turkey average of 2,146 $ with its value of 3,215 $. Izmir ranks at the sixth place in this regard among all 81 provinces. Income distribution inequality in Izmir parallels the inequality throughout the country.

According to TÜIK data, Izmir ranks at the first place among the provinces in the region regarding the GDP generated within Aegean Region. Thus, Izmir generates approximately half (46.9% - 13,383 million TL) of the GDP generated within the Aegean Region by itself, followed by Manisa (13.7%), Muğla (10.2%), Aydın (8.2%), Denizli (7.6%), Kütahya (5%), Afyon (4.3%) and Uşak (1.9%).

Izmir is an immigrant attraction centre both at regional and national scales. In Turkey, urban population ratio is 75% while the same ratio is 90.89% in Izmir. The elderly population ratio in Izmir is higher than that in Turkey.

Izmir constitutes approximately 7% of Turkey GDP, thus being the third province in regards to contributing to Turkey's GDP, rising just below Istanbul and Ankara. According to EUROSTAT data, it resides at the 185 place among a total of 295 regions compared to regions throughout Europe regarding GDP size.

A significant foreign trade centre of the country since very old eras, Izmir still maintains its characteristics of being the secondary most important foreign trade centre of the country for the surrounding provinces and regions. In province based export/import coverage ratio, the province is at second place. However, Izmir's share within Turkey export total is decremental.

While this share was 7.70% in 2002, in year 2008 it declined to 5.96%. While Izmir had been in a position giving foreign trade surplus in year 2003 and before, it has begun giving foreign trade deficit since the last five years (--Izmir Regional Plan 2010-2013, 2010).

Policies aimed towards increasing the competitive capacity of Izmir based enterprises at international markets should be developed in order to increase the export values of the products produced. The axis of such policies should be competition policy based on technology and quality in production.

Approximately 99% of the industrial sector companies in Izmir are micro-enterprises and small and medium scale enterprises (SME). Institutionalizing of these micro-enterprises and small and medium scale enterprises and increasing of their marketing capacity are important for the region. It may be said that within the city's manufacturing industry, agro-industries and some industry branches based on high technology (high tech industries) are on the rise (--Izmir Regional Plan 2010-2013, 2010).

With its geographic location, infrastructure, natural, cultural and archaeological assets, Izmir bears considerable potential for various tourism types with marine, health, convention, fair, urban, cultural and ecological tourism coming at the lead. Despite this fact, average length of stay of tourists, occupancy rate of accommodation facilities and labour force efficiency in hotel and restaurant services are not at desired levels. Contribution of hotel and restaurant services to Izmir GDP is around 2.5% while employment ratio in this sector is 7.9% (--Izmir Regional Plan 2010-2013, 2010).

As of year 2008, Izmir is the third province countrywide regarding the number of blue flag beaches with its 21 beaches awarded with the blue flag status. The fact that Izmir's most significant focus of attraction is the seasunsand tourism causes the demand to focus on the traditional tourism months within mass tourism context and thus a tourism season of four months is experienced. A serious inadequacy exists regarding the promotion of Izmir's tourism potentialities. It may be said that Izmir is not involved with tourism adequately also regarding investment and planning aspects.

The multi-sector structure of the city causes the economic power to get scattered and lack of specialization. A serious inadequacy exists regarding the promotion of Izmir's tourism potentialities. It may be said that Izmir is not involved with tourism adequately also regarding investment and planning aspects. storing, handling and distribution activities that are effective factors in logistics sector are continuously becoming widespread.

Employment

In sectoral sense, the highest contribution to Izmir province's GDP is provided respectively by, services (54.4%), industry (37.5%) and agriculture (8.1%). According to the data in year 2008, the employment distribution among sectors has been realized as 7.5% in agriculture, 31.5% in industry and 61% in services sector. Total labour force on the other hand has risen up to 1.17 million in Izmir as of year 2008. Compared to country-wide values it can be observed that the employment ratios in non-agriculture sectors are continuously higher in Izmir than that of country overall level. 47.1% of total Aegean Region population working in services and industry sectors are employed in Izmir, and this ratio is 13.7% for those employed in agriculture sector (--Izmir Regional Plan 2010-2013, 2010).

Izmir is the industry and services centre of Aegean Region, compared to the TR32 and TR33

Level 2 regions situated in Aegean Region. The unemployment ratio that happened to be 11.8% in 2008 occurs above the country average and increases with the immigrations. And the qualified labour force immigrates to other cities (--Izmir Regional Plan 2010-2013, 2010).

Insufficient livelihoods and high unemployment rates are observed at rural areas. Based on labour force efficiency; the national labour efficiency rate is around 25% in Izmir while the same value is approximately at 50% levels in Istanbul. In Izmir, the share of wage earner women labour force within total employment (21.4%) is above the Turkey average (14%)(--Izmir Regional Plan 2010-2013, 2010).

Education

Preschool, elementary and secondary education schooling ratios are higher than the Turkey average. Although the number of students per teacher in preschool, elementary and secondary education is lower than the Turkey and Aegean Region averages, in especially some districts the number of students per classroom is considerably higher. There are seven universities in the city.

With the steps taken in recent years, studies have begun for the purpose of developing the university-industry cooperation. In regards to the ratio of population with higher education and above graduation to the total population over age 15; Izmir comes second among Turkey's 81 provinces with 10.77% after Ankara (15.45%) (--Izmir Regional Plan 2010-2013, 2010).

Healthcare

Number of people per specialist doctor in Izmir is 59% of the same rate in Aegean Region and

8% of Turkey. And the number of people per nurse in Izmir is 48.5% of the same rate in Aegean Region and 6.8% of Turkey. Although Izmir is above country average in terms of essential health indicators, services provided in subjects such as planned

urbanization and public health remain insufficient against the demands, due to the urban population density being higher than Turkey average (--Izmir Regional Plan 2010-2013, 2010).

Culture

Although many cultural and artistic activities open to international, national and local participation are held in Izmir, these are not realized in coordination. Moreover, the infrastructure necessary for the mentioned sociocultural activities is currently inadequate. The increase between years 2000 - 2007, in the number of both movie theatres and cinemagoers in Izmir is slightly higher than the increase observed in the same period throughout Turkey and Aegean Region. While in terms of new theatre hall establishment in Izmir is below even the inadequate increase throughout the country, the demand for theatre is on the rise in the city. There are 16 museums within the province. However, in respect to both the thematic variety and the geographic and demographic accessibility, the museums within the province need improvement.

Environment

Because Izmir, employing a considerable importance considering its energy resources, biological diversity, soil fertility, water basins and mineral resources, houses significantly varied urban, agricultural and industrial activities within; environmental sustainability gains importance. The most important environmental issue in the city is basin pollution caused by domestic wastes, agricultural and industrial activities. Marine pollution also persists as a problem for Izmir.

Although the existence of the treatment facility activated in year 2000 to prevent the pollution in Izmir Bay employs a positive effect, the pollution entries carried by the basins' water beds still persist in adversely affecting the improvement process in Izmir Bay. Gediz Basin is environmentally threatened by the pollution coming from Kütahya, Uşak and Manisa along with the industrial pollution coming from Izmir's Kemalpaşa district, settlements without wastewater treatment facilities with Menemen at the top of the list and also by the insensible agricultural applications again in Menemen. Küçük Menderes Basin is also polluted in result of domestic wastewaters. In Bakırçay Basin pollution problem is experienced again caused by domestic wastewaters and agricultural activities. Wastewater treatment facilities and investments for garbage landfill areas should be realized in basin terrains (--Izmir Regional Plan 2010-2013, 2010).

One of the environment-related problems is that the rate of the utilization of environmental management systems is low in Izmir. While in a fine condition regarding urban solid waste collecting works, Izmir has capacity inadequacies regarding disposal tasks. 88% of the total hazardous waste amount produced in Aegean Region results from industrial activities in Izmir.

It constitutes a problem that the waste amount is high while the industrial waste storehouses and appropriate hazardous waste disposal facilities are few, resulting in illegal dumping Although forested area ratio is high, Izmir is significantly below Turkey average

regarding productive forest area. Moreover, Izmir houses sensitive ecosystems of international importance.

Transportation Infrastructure

Due to being the third largest city within Turkey and the largest city within Aegean Region, Izmir has a dense passenger and cargo (load) traffic. It is a passage point connecting the settlement regions at the north and the agriculture, industry and tourism areas at the south.

Izmir Harbour is the largest port of Aegean Region with its annual ship acceptance capacity of 2,757. The exporting port at the first place in Turkey among government-managed ports dealing with container handling is in Izmir. Izmir Harbour is not only an importing portal to Central Anatolia Region and Aegean Region but also an important trade and commerce port between European, Middle Eastern and Asian countries due to its railway and highway connections (--Izmir Regional Plan 2010-2013, 2010).

Although having an important potential among the world's port cities, Izmir currently does not utilize this potential adequately considering its development and infrastructural works. In order to strengthen the aspect of Izmir being a trade centre, port capacity should be expanded and approach roads should be developed. With its strategic location on the Mediterranean-Black Sea line and its potential expansion area, North Aegean (Kuzey Ege - Çandarlı) Port will be one of the important main transhipment ports of East Mediterranean, in case it is activated.

The airport capacity being increased, international ferry routes, ports servicing tourism and trade, and transportation variety are positive features for Izmir regarding transportation. On the other hand, the inadequacy of railways investments, rarity of direct flights from and to Izmir, maritime lines not being used sufficiently for passenger transportation, the dependency of both intracity and intercity transportation of loads and passengers on highways, Izmir Port not being sufficient in both capacity and infrastructure to meet the increasing demand, road traffic and parking problem are the weak points of transportation in Izmir.

Tourism

In Izmir demographic profile of tourists and breakdown by country: Domestic and foreign tourists aged 25-55 and member of middle/ high income group form the main target group. While foreign tourists are usually European couples or families, domestic tourists include people or families from İstanbul or Ankara with high income. Based on the 2009 data by the Ministry of Culture and Tourism, when we look at the breakdown of tourists who have visited Turkey and Izmir by the countries, the rate of tourists visiting Izmir is only 5% of the number of tourists coming to Turkey. It is seen that mostly European tourists come to Izmir and 80 % of those who come are generally from 5 countries (Germany, UK, France, England and the Netherlands) Izmir attracts tourists from Italy, Belgium, France and the Netherlands in a higher ration than Turkey's average for those countries. However, Izmir cannot attract sufficient number of tourists from

Germany, Russia, and the Middle East countries where Turkey benefits a lot. Considering its historical and cultural proximity, we can add Greece to this list (-- Izmir City Marketing Strategic Plan, 2010).

Table I Number of Tourists Coming to Turkey and Izmir-2009

Number of Tourists Coming to Turkey and Izmir - 2009			
Countries	Number of tourists coming to Turkey	Number of tourists coming to Turkey	Ratio of Izmir against Turkey
Germany	4.488.350	268.814	5,99%
Italy	634.886	142.457	22,44%
France	932.809	94.389	10,12%
UK	2.426.749	79.509	3,28%
Netherlands	1.127.150	71.001	6,30%
Belgium	592.078	65.516	11,07%
USA	667.159	38.654	5,79%
Greece	616.489	29.969	4,86%
Switzerland	283.06	13.462	4,76%
Russia	2.694.733	10.19	0,38%
Middle East	1.609.965	1.188	0,07%
Sum of First Ten Countries	16.073.428	815.149	5,07%

Source: Izmir City Marketing Strategic Plan, 2010.

CONCLUSION

The aims of the regional plan are important for Izmir because new investment and employment opportunities would contribute to the city's economic strength and considerably increase the country's gross national income. Izmir would not only attract a substantial workforce from neighboring provinces, but would also be in a position to strengthen Turkey's economy.

Izmir has advantages for tourism: Izmir is situated in a place that makes it both the most western point of the East and the most eastern point of the West. This characteristic makes it a unique intercultural bridge between different countries. Izmir is only 3 hours flight distance away from 48 countries on 3 continents. Izmir is the perfect host city given its 8,500-year old history, extraordinary natural beauty, 300 days of summer, temperate climate, perfect beaches, and friendly and hospitable citizens. It is home to two of mankind's most important historical legacies, Ephesus and Pergamon, which are a mere 100 km apart from each other. Similarly close are many tourist destinations including Çeşme, Alaçatı , Seferihisar, Urla, and Kuşadası (--Expo-Izmir 2020 Presentation).

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THE ROLE OF LEADERSHIP & READINESS FOR CHANGE TO COMMITMENT TO CHANGE

Wustari H. MANGUNDJAYA, Indonesia, wustari@yahoo.com
Imo GANDAKUSUMA, Indonesia, imo.gandakusuma@ui.ac.id

ABSTRACT

Organization has to change and it needs commitment of the employee. The purpose of this paper is to identify the role and contribution of Change Leadership (CL), Organizational Readiness for Change (ORFC), and Individual Readiness for Change (IRFC) to Commitment to Change (C2C). This paper based on the empirical research about commitment to change in a cconstruction ccompany in Indonesia. The research used 4 scales as mentioned above, those are: C2C, IRFC, ORFC, and CL. Discussion will be based on the concept and findings. The results (N=186) showed that there was positive and significant correlation between Readiness for Change with Commitment to Change. However, the study also showed that Change Leadership solely had not correlated significantly with Commitment to Change. The findings will enrich the study about the contributions of Change Leadership, Individual and Organizational Readiness for Change to Commitment to Change. This paper contributes to the knowledge and implications of organizational change, as the management will understand the variable that has the strongest impact to the Commitment to Change.

KEY WORDS

Organizational Readiness for Change, Individual Readiness for Change, Change Leadership, Commitment to Change.

1. Introduction

In order to survive and compete, every organization has to change and the success of this change lies in the employee, specifically the commitment to change of the employee. However, understanding about how to achieve the Commitment to Change is very important. The role of organizational and employee/individual commitment in the organizational change process can therefore be argued to be a central one, both from the perspective of consolidating change and from the likely future success of ongoing change program. In this regard, identifying factors that which contribute to commitment to change is very important.

Research shows Organizational Readiness for Change followed with Individual Readiness for Change were some of the factors that should be considered. Moreover, leader as a change agent is also important to lead, direct and managing the change process. The question arises which one of the variables (Organizational Readiness For Change, Individual readiness for Change and Change Leadership) is the most contributitor to the commitment to change, and are there any variable that also contributes to commitment to change?

2. Literature Review

2.1.Commitment to Change

Herscovitch & Meyer (2002) define Commitment to change as a force (mind-set) that binds an individual to a course of action deemed necessary for the successful implementation of a change initiative. This mind-set can be reflected to varying degree in three dimensions: a) desire to provide support for the change based on a belief in its inherent benefits to change (affective commitment, AC2C); b) a recognition that there are costs associated with failure to provide support for the change (continuance commitment to change, CC2C); and c) sense of obligation to provide support for the change (normative commitment to change, NC2C) In other words, individuals can feel bound to support a change initiative because they want to, have to, and/or ought to.

2.2.Change Leadership (CL)

Herold (2008) and Liu (2010) stated that Change Leadership behaviors target at the specific change consist of visioning, enlisting, empowering, monitoring, and helping with individual adaptation (Herold, 2008; Liu, 2010). Moreover, Liu (2010) mentioned that there are two factors in Change Leadership namely, a) Leaders Change Selling Behavior, action that attempts to promote the change during the unfreezing stage, make it clear why the change was necessary; and b) Leaders Change Implementing Behavior, action to push a change forward and consolidate success throughout the implementation.

2.3.Organizational Readiness for Change (ORFC)

Ramnarayan & Rao (2011) mentioned that Organizational readiness can be said as organizational adaptation in terms of seeking to realign the organization with a changed environment. Furthermore they mentioned that the Organizational Readiness for Change has 6 dimensions, namely: 1) Commitment to plans, priorities, programs, and purposes; 2) Attention to innovations/changes; 3) Attention to lateral integration; 4) Attention to vertical integration; 5) Environmental scanning, networking and learning from others; and 6) Building capabilities of individuals and groups (Ramnarayan & Rao, 2011).

2.4.Individual Readiness for Change (IRFC)

Hanpachern (1997) defines Individual Readiness for Change is the extent to which individuals are mentally, psychologically, or physically ready, prepared, or primed to participate in organization development activities. On the other hand, Armenakis et al. (1993) defines individual readiness for change as people's beliefs, attitudes, and intentions regarding the extent to which changes are needed and their perception of individual and organizational capacity to successfully make those changes.

3.Methods & Measures

3.1.Sampling

Sample was collected from a construction company that had undergone some organizational change, such as restructuring organizational system and procedural changes. Using convenience sampling, the numbers of 186 employee were the respondents. Characteristics of the respondents are 74.73% were men, 79.57 % were in the range of age 25 to 45 years old, 36.02% have been working between 5 to 10 years, educational background were bachelor degree 49.46%, and the job position 68.28% were staff.

3.2. Data Collection

Data was collected through 4 types of questionnaires, namely: 1) Commitment to Change Inventory, which was developed and modified to Indonesian language from Herscovitch and Meyer (2002). Consists of three dimensions: affective commitment to change, continuance commitment to change and normative commitment to change, consists of 18 item, α Cronbach = 0.742, and the range of validity index is 2.0 to 3.5, with p<0.01; 2) Organizational Readiness for Change, was developed from Ramnarayan and Rao (2011), consists of 6 dimensions and 42 items, namely: a) commitment to plan; b) attention to innovation, c) attention to lateral integration; d) attention to vertical integration, e) environmental scanning; and f) building of capabilities of individual and groups, with α Cronbach = 0.9.59, The range of validity is 0.30 to 0.35, with p<0.01; 3) Individual Readiness for Change, was using scale from Hanpachern and modified to Indonesian language (Mangundjaya (2013) .Consists of three dimensions and 15 items: promoting, participating and resisting, with Cronbach α = 0.912, validity index is 0.4 to 0.5, with p<0.01; and 4) Change Leadership, used the scale of Change Leadership developed by Liu (2010). Consists of two dimensions, and 18 items, namely Change Selling Behavior and Change Implementing Behavior. Reliability has been tested with Cronbach α = 0. 964, and the range of validity is 0.581to 0.869, with p<0.01.

3.3. Data Analysis

Data were analyzed using Multiple Regression.

4. Results

Results will be discussed based on descriptive statistics, correlation of each variables, each dimensions and by characteristics of respondents.

Table 1. Score Descriptive Statistics

Nr.	Variables	Mean	Standard Deviation
1	Commitment to Change	4.25	0.510
2	Organizational Readiness to Change	4.44	0.515
3	Change Leadership	4.55	0.505
4	Individual Readiness to Change	3.63	0.950

From the Table 1 it can be said that the score of Change Leadership is the highest compares of the other 3 variables. However, Change Leadership is the one that has not correlated significantly with commitment to change. The Table 2 below will show the regression analysis.

Table 2. Analysis of regression Organizational Readiness to Change, Change Leadership, Individual Readiness to Change with Commitment to Change, and the dimensions

Variables	R^2	$(r_{yx1.x2})^2$	Sig.
C2C	0.381	-	0.000*
IRFC		0.271	0.000*

ORFC		0.054	0.001*
Change Leadership		0.001	0.614
Affective C2C	0.440	-	0.000*
IRFC		0.354	0.000*
ORFC		0.028	0.024*
Change Leadership		0.003	0.479
Continuance C2C	0.142	-	0.000*
IRFC		0.063	0.001*
ORFC		0.037	0.009*
Change Leadership		0.007	0.252
Normative C2C	0.157	-	0.000*
IRFC		0.092	0.000*
ORFC		0.024	0.034*
Change Leadership		0.003	0.493

*Significant at p < 0.05

From the result above, it showed that Organizational Readiness for Change and Individual Readiness for change have contributed significantly to the Commitment to Change, however change leadership had not significantly correlated with Commitment to Change.

Table 3. Correlation of IRFC, ORFC, CL to C2C, AC2C, CC2C, and NC2C

Variables	C2C	AC2C	CC2C	NC2C
	r	r	r	r
IRFC	0.586**	**0.651****	**0.318****	**0.365****
1. Participating	0.471**	0.458**	0.317**	0.316**
2. Promoting	0.553**	0.540**	0.361**	0.378**
3. Resisting	0.312**	0.451**	0.078	0.151*
ORFC	0.386**	**0.348****	**0.287****	**0.268****
1. Commitment	0.393**	0.363**	0.319**	0.239**
2. Innovation	0.293**	0.327**	0.152*	0.186*
3. Lateral Integration	0.256**	0.132	0.265**	0.227**
4. Vertical Integration	0.278**	0.222**	0.218**	0.215**
5. Learning	0.340**	0.332**	0.262**	0.198**
6. Capability	0.334**	0.315**	0.205**	0.251**
Change Leadership	0.036	**0.115**	**-0.046**	**-0.007**
1. Change Selling	0.039	0.115	-0.033	-0.013
2. Change Implementing	0.032	0.111	-0.054	-0.004

**Significant at p<0.01, *Significant at p<0.05

In order to identify the contribution of each variable, the Table 3 above showed the correlation of each variable with each dimensions of commitment to change. It showed

that IRFC and ORFC were positively correlated with Commitment to Change, but Change Leadership were not positively correlated with each dimensions of C2C. It also shows that there are 2 dimensions from IRFC (participating and promoting) that have positively significant correlated with commitment to change, affective, normative and continuance commitment to change, and resisting has not correlated significantly with continuance commitment to change. Furthermore, from ORFC variables, it shows that commitment; innovation, vertical integration. Learning and capability, were the dimensions that have positively correlated with commitment to change, affective commitment to change, normative commitment to change and continuance commitment to change.

Profiles of commitment to change

Below is Table 4 consist of Commitment to Change's score according to the characteristics of respondents, based on gender/sex, educational background, age, position, and tenure of work.

Table 4. Profile of Commitment to Change Scores by Demographic

| Demographical Data | Total | Commitment to Change | | |
		Mean	Standard Deviation	Sig.
Sex				
1. Male	139	4.27	0.50	0.535
2. Female	47	4.22	0.52	
Age				
1. <25 years old	24	4.10	0.53	
2. 25–44 years old	148	4.25	0.50	0.024*
3. 45–56 years old	15	4.56	0.41	
Work Experience				
1. 2–10 years	27	4.16	0.49	
2. 2–5 years	67	4.16	0.49	0.021*
3. >5–10 years	48	4.21	0.51	
4. >10 years	44	4.46	0.49	
Education				
1. High School	60	4.35	0.47	
2. Diploma	34	4.22	0.42	0.207
3. Bachelor	92	4.21	0.55	
Position				
1. Senior Management	6	4.33	0.45	
2. Middle Management	14	4.31	0.51	
3. Junior Management	19	4.46	0.48	0.259
4. Staff	127	4.20	0.51	
5. Non-Staff	20	4.34	0.52	

*Significant at l.o.s. = p <0.05

From the above table , it showed that only age and tenure of works that have significantly different. The result also showed that the older and the longer the people stay and work in the organization then the higher of the commitment to change.

5.Discussion & Conclusion

Organizational Readiness for Change (ORFC) and Individual Readiness for Change (IRFC) have positively contributed to Commitment to Change. However, Change Leadership was not significantly correlated with Commitment to Change. In addition, it can be said that Individual Readiness for Change is the most contributed variable to Commitment to Change. Moreover, it can be concluded that age and tenure have significantly positive correlation with Commitment to Change. In other words, it can be said that the older of a person and the longer he/she works in the organization then the higher of the Commitment to Change. Many essays discussed about the importance of leader's contribution during organizational change, however in this study it shows that there is no significant contribution of Change Leadership to Commitment to Change. This paper challenged the previous findings about the contribution between Leadership and Commitment to Change.

The results of the study can be used for management in implementing change management in their organization, and using the older and more senior employees to act as change agent. Moreover, the results also show that Individual Readiness for Change is the most contributor to Commitment to Change; as a result organization should pay more attention to individual/employees in order to gain their Commitment to Change.

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THE PREDICTOR OF AFFECTIVE COMMITMENT TO CHANGE: ATTITUDE VS INDIVIDUAL READINESS FOR CHANGE

Wustari L.H. MANGUNDJAYA, Indonesia
Faculty of Psychology, University of Indonesia,
wustari@yahoo.com, wustari@ui.ac.id

The objective of the study is to identify the correlation and contribution between Attitude toward Change, Individual Readiness for Change and Commitment to Change, also to identify which variables that have contributed more to Commitment to Change. This paper based on the empirical research (N = 54), that was conducted in a financial company in Jakarta, Indonesia that was conducted some changes in their organization. Data was collected using 3 scales namely Attitude Toward Change (ATC), Individual Readiness for Change (IRFC) and Affective Commitment to Change (AC2C), and were analyzed using Multiple Regression Analysis. The result of the research showed that both ATC and IRFC have positively significant correlated with C2C, although IRFC is slightly higher than ATC.

The results of this research contribute the theory about change management, especially about individual acceptance of change, individual readiness for change and its relation with Commitment to change. Result can be used for change implementation, in which management needs to develop Individual Readiness for Change, in order to achieve Commitment to Change.

Key words: Attitude toward Change, Commitment to Change, Individual Readiness for Change.

1. Introduction

In today's swiftly moving business, change is unavoidable or even is the norm. With the pressures from their external and internal environments-shifting business paradigms, economic and legislative changes, globalization, new technologies, and changes in consumer tastes and workforce composition-organizations often have to change the way they do business in order to grow, remain competitive, and even to survive (Herold & Fedor, 2008; Martins, 2008). As a result, change has become one of most important challenges for organizations and for their leaders at all levels. Failure to manage change effectively may reduce organizational effectiveness and employee well-being. Although there are many factors that influence the organizational change effectiveness, such as Context, Content, Process, and Individual Characterictis (Holt, 2007). However, based on various research, the success of change is majority influenced by individual/person involved in the process of change, and the greatest challenge of all comes with the awareness that managing change includes managing reactions to that change.

2. Commitment to Change

The approach to employee commitment has been subsequently adopted by other researchers in the area. According to Herscovitch & Meyer, (2002), Commitment to change as a force (mind-set) that binds an individual to a course of action deemed necessary for the successful implementation of a change initiative. This mind-set can be

reflected to varying degree in three dimensions: a) desire to provide support for the change based on a belief in its inherent benefits to change (affective commitment); b). A recognition that there are costs associated with failure to provide support for the change (continuance commitment to change); and c) sense of obligation to provide support for the change (normative commitment to change. In other words, individuals can feel bound to support a change initiative because they want to, have to, and/or ought to.

Commitment to change was influenced by the extent to which a change altered the nature of an employee's job. Conceptualized change as being comprised of three stages: unfreezing, changing, and refreezing. The changing phase is where the actual change is implemented, while the refreezing stage is when the new ways of work are embraced, internalized and institutionalized.

3. Attitudes and Reactions toward Change

When implementing changes in structure, system, or process; individual change has a mediating role because change starts with individual change, and unless the majority of individuals change their attitudes or behaviors, no organizational change occurs (Alas, 2007). Attitudes and behaviors about organizational change are often cited as a crucial factor in determining the success of organizational change (Herold et al., 2007). Attitudes toward organizational change are described as the employee's overall evaluative judgment of the change implemented by his or her organization (Elias, 2009).

Employee attitudes toward organizational change are defined as a continuum ranging from strong positive attitudes (e.g. readiness for change, openness to change) to strong negative attitudes (e.g. cynicism about organizational change, resistance to change) (Bouckenooghe, 2009). Attitudes toward organizational change could be viewed as a complementary to the traditional (bottom line) outcomes, such as survival and profitability (Armenakis and Bedeian, 1999).

The researcher used the concept of Affective Commitment to Change (commitment based on an emotional bond) which was found by Herscovitch and Meyer (2002).
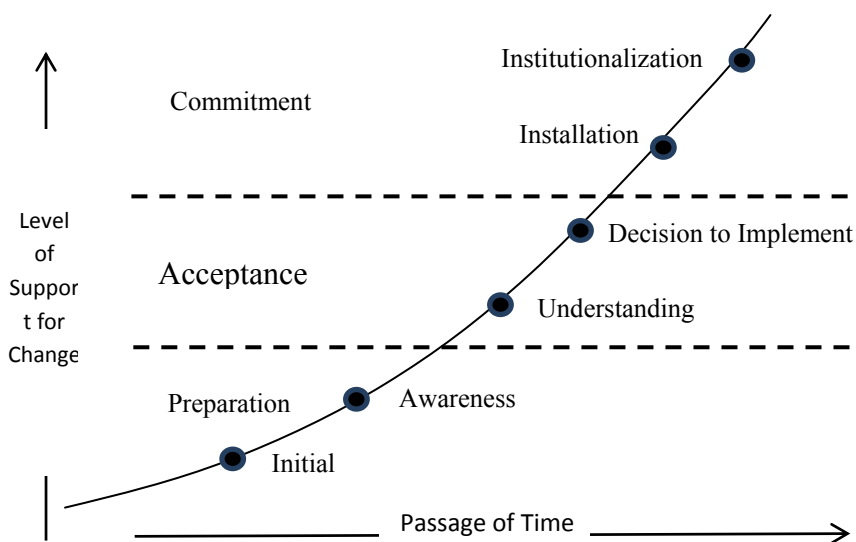
Figure 1: Stages of Commitment to Change (Conner, 1992)

From the Figure 1 above, it can be seen that commitment to change is the highest level of individual change acceptance.

4. **Individual Readiness for Change**

Individual readiness for change is the comprehensive attitude that simultaneously was influenced by the content (what has been changed), process (how is going to change), context (in what situation that the change is done), and characteristic of individual who involved in the change process (Armenakis et al., 1993), Holt, 2007). According to Hanpachern (1997) measuring Individual Readiness for Change are based on resisting, participating, dan promoting. Resisting is the negative attitude of the individual toward change. Participating is the individual participation in the change process. Promoting is about how far a person would like to implement the change process.

The process of organizational change is unfolding in three phases (Armenakis et al., 1993; Lewin in Armenakis & Harris, 2002). During the first phase, readiness, organizational members become prepared for the change and ideally become its supporters. In the second phase, adoption, the change is implemented and employees adopt the new ways of operating. However, the adoption period is a trial or an experimental period and employees can still ultimately reject the change. The third phase, institutionalization, flows from efforts to maintain the adoption period and reinforce the changes until they become internalized and the norm.

5. Methods and Measures
5.1 Sample

Respondents (N=54) were chosen by Convenience Sampling, with the characteristics as follows: permanent employees of state owned government organizations, who have been working for at least 2 years in the organizations, age above 18 years old, and has a bachelor degree.

5.2 Measurements

The data were taken using the scale of Affective Commitment to change (Herscovith & Meyer, 2002), Individual Readiness for Change (Armenakis), and Attitude toward Change. The scales have been translated and slightly modified into Indonesian Language. All the three scales are using 6 Scales Likert Type. All the instruments have been tested its validity and reliability.

Table 1: Instruments

No	Scale	Number of items	Reliability	Remarks
1.	Commitment to Change	12	$\alpha = 0.678$	Constructed and Modified by Herscovitch and Meyer (2002).
	Affective Commitment to Change	4	$\alpha = 0.656$	Consists of three dimensions: dimensions of organizational commitment, affective

				commitment, continuance commitment, and normative commitment. The validity index is 0.751 with p < 0.01. For this research only used Affective Commitment to Change.
2.	Attitude toward Change	5	α = 0.631	Constructed by the researcher based on the concept from Vakola (2005). Consists of one dimension. The validity index is 0.74 with p < 0.01.
3.	Individual Readiness for Change	15	α = 0.922	Constructed and Modified by Holt et al. (2007) consists of 33 items. The validity index is 0.70 with p < 0.01

5.3 Data Analysis

Data were analyzed using Multiple Regression and Partial Correlation Methods.

6. Results

The results of the reseach show that both Attitude toward Change and Individual Readiness for Change are positively correlated with Individual Commitment to Organizational Change.

Table 2: Correlation of Attitude to Change, Individual Readiness for Change, and ICTC.

Nr.	Correlation between variables	r	R2	Sign.
1	Attitude to Change, Individual Readiness for Change, & Commitment to Change	0.604	0.365	0.000**
2	Attitude to Change & Commitment to Change	0.550	0.320	0.000**
3	Individual Readiness for Change & Commitment to Change	0.596	0.355	0.000**

** $p < 0.001$

Furthermore, it also shows that the correlation between Attitude toward Change and Individual Commitment to Change is lower compares to the score of correlation between Individual Readiness for Change. It also shows that 35.5% from the score of Individual Readiness for Change (which is just slightly higher compare to the Attitude toward Change) contributed to the emergence of Individual Commitment to Change. From the results it can be concluded that not only Individual Readiness for Change that contributes to the emergence of Commitment to Change, as they are still 64.5% are influenced by other factors.

7. Discussion and Conclusions

This result shows that both reaction and readiness to change are important to Commitment to Change, although readiness is slightly stronger. It is assumed that both positive reaction and readiness can be regarded as predictor to acceptance to change, and/or affective commitment to change. However, just like previous studies about the importance of individual readiness to change, the results of this research also more emphasize the importance of individual readiness to change to Affective Commitment to Change. This research is an exploratory research that needs to be repeated with larger sample, from various types of respondents and organizations. The study also showed that there are 64.5% of commitment to change were influenced by other factors, as a result more variables to be studied in relation to commitment to change is need to be studied in order to predict commitment to change, as well as to identify the most important variable in developing commitment to change.

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MANAGERIAL BEHAVIOR AND CORPORATE GOVERNANCE – VECTORS OF THE ORGANIZATIONAL OPTIMIZATION PROCESS

Georgiana Surdu, Romanian –American University, Bucharest[1]

Abstract

As organizations increase their size and reinvent themselves structurally and financially, acting globally, their managers must recognize that the task of leading an international company is different from managing a company operating only in one country.

The reality is that acting globally the decision maker should take into account several legal systems, tax systems and different accounting systems, to mention just some of the new elements of diversity occurred in the new entry markets.

From another point of view, Enron scandal, among other corporate scandals, submitted to harsh criticism the valences and the so-called fundamentals of global capitalism and corporate governance and has fueled numerous doubts regarding the correctness of the behavior of those who decide in multinational companies.

Introduction

Globalization was described in the early '90s as the final stage of development for international management. Globalization seems to require that companies with international activity to be conducted by highly qualified managers to meet the challenges and responsibilities of the so-called global markets. Ten years later, the scenario has changed considerably. As globalization has placed power in the hands of large corporations, the management of these companies has become a major concern not only for international firms and their managers, but also for governments and other institutions. (Boddewyn, J.et al (2004).

From another point of view, Enron scandal, among other corporate scandals, submitted to harsh criticism the valences and the so-called fundamentals of global capitalism and corporate governance and has fueled numerous doubts regarding the correctness of the behavior of those who decide in multinational companies. (Clark, W. and Demirag, I., (2002).

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[1] Georgiana Sursu is Teaching Assistant at the Romanian –American University, Bucharest, e-mail: srdgeorgiana@yahoo.com , phone: 0728578293

Despite the importance of these changes and events, literature is not comprehensive enough to highlight not only the growing power of transnational corporations (TNCs) and the corresponding implications for managers and for exercising its entire range of stakeholders identified in the millennium society.

As organizations increase their size and reinvent themselves structurally and financially, acting globally, their managers must recognize that the task of leading an international company is different from managing a company operating only in one country.

The reality is that acting globally the decision maker should take into account several legal systems, tax systems and different accounting systems, to mention just some of the new elements of diversity occurred in the new entry markets.

Discussion

Management as activity of leading a group of people to achieve a common goal requires and it is based on experience and talent. Among the qualities required of a manager can mention: *ability to lead people, flair, communication, self-control, intuition, ability to make meaning, originality, confidence*, etc.

Practice shows that the chances of success increase when management besides specific personal qualities exist some specific management knowledge there.

"International managers" must decide where to locate production to maximize the economies of scale and diversity (the range) and minimize costs of production and trading. A good manager must decide whether it is ethical to use extremely cheap labor and work with almost nonexistent environmental standards, as many of the activities outsourced to poor countries or developing. They decide to which markets will be expanding, and in which way, following the strategy etc.

International managers must prove people with excellent professional and personal skills, with good understanding of the business world, the concepts related to macroeconomics and global politics. The task they have to accomplish is very complex and requires a complete set of procedures that allows fewer errors in decision making.

Contemporary management issue lies in selecting the right people for achieving strategic objectives that have solid theoretical knowledge, especially practical skills.

This was emphasized by Henry Mintzberg in the book "Managers Not MBAs. A Hard Look at the Soft Practice of Managing and Management Development ". (Henry Mintzberg (2004)

In this referential paper for Management Science, Professor Henry Mintzberg gives us a very solid reasoned critique of how managers are educated and the effectivness of management science. In Mintzberg's work we can find some recommendations aiming thoroughly and somewhat controversial contemporary management reform. The author points out that conventional programs Master in Business Administration (MBA) is designed almost exclusively for young people with limited managerial experience, the programs focusing on theories, in the form of analysis and technique and minimizes actual experience and understanding of economic phenomena. As a result, the graduates remain with the impression that management is fully distorted by the application of formulas, in

order to deal with complex situations. Mintzberg argues in a convincing manner that this was *"corrupting and dehumanizing effect"* not only in the practice of management, but also on organizations in general, regardless of their specificity.

Next immediate step in the evolution of management science and organizations became leadership. Today's organizations and management teams at their level need both effective leaders and effective managers to run a successful operation. While there is some apparent similarity (for example, that both involve components that affect workers, authority and power are generally attributed to both positions, etc.) can be found, there are some significant differences (for example, management is often more task-oriented, leadership is associated more with inspiration and vision).

Zaleznik argues that management and leadership require different types, while Rost argues that leadership is a multidirectional influence, while management has a unidirectional influence (Kotter, J. (1990).

It is necessary to differentiate between management and leadership to a new level of reasoning and efficient operation ie *the corporate governance*, which in the opinion of Ana Lucia Guedes and Alexandre Faria is presented in the following way*: "managerial activity is closely related to practice and powers of managers of international companies, while the government is more closely related to practices and actors' higher order skills and networks that constrain and enable managers to have international practices and skills* " (Ana Lucia Guedes, Alexandre Faria, 2007)

Parochialism and ethnocentrism may explain why literature has long been overlooked aspects of governance that are so important, especially in the new global economic context. Different authors have pointed out that American researchers have developed conceptual architecture, claimed to be infallible in scientific world, on business models, without being sufficiently aware of contexts, research models and values of non-US. (Boyacigiller, N., Adler, N., 1991).

A paper that analyzes corporate governance as "mediator" between the market and the investor is Leora F. Klapper and Love Ines (Leora F. Klapper and Inessa Love, (2002). The authors of this paper are based on a series of simple questions, but the answers are complicated and also uncertain.

Can a company that is "locked" in a country with an uncertain legal environment to distinguish and offer more protection for its investors by adopting good corporate governance practices? Finally, the adoption of best practice corporate governance enshrined in logic does matter more in countries with better legal systems than in those with unclear legal system?

Empirical tests of these authors show that better corporate governance is highly correlated with better operating performance and market value. The same tests show that corporate governance is correlated with variables related to the degree of asymmetry of information, contracting imperfections facing the company, which we associate with firm size, sales growth and intangible assets.

Also related to globalization and corporate governance, there are authors who argue that "in addition to international management optimization, allowing the formation of a growing number of" partnerships between organizations" (Ohmae, K. (1989). Therefore, they assume that partnerships between large corporations and local governments are equally beneficial to all stakeholders. (Bartlett, G., Ghoshal, S. (1989) Specifically, they state that these networks are more efficient than industrial policies, led by governments.

Conclusions

There have been significant advances in the field of organizational behavior and management in recent decades. Manager's approach markets more proactive in an effort to keep pace with their dynamic and systemic changes. Managers understanding to organizational design and alternative forms of organization increased with understanding to what can be called "change management". The available tools to managers are more sophisticated today than decades ago, but the business environment and the challenges are more complex and more pressing as well.

Managers must find new ways to achieve effective coordination and collaboration within organizations to facilitate the transfer of knowledge gained and implementation of innovations and recognize that the task of leading an international company differs from that of managing a company operating only in one country.

Being assent to Henry Mintzberg claims, I believe that the contemporary management's problem lies in selecting the right people in order to achieve strategic objectives, these people must have solid theoretical knowledge, and especially practical skills. Managers should base their ideas on theoretical knowledge or flair, but especially on previous experiences related to business.

Corporate governance has been a topic of great interest due to past facts disclosed by the financial and economic crisis started in 2008. Corporations have lost credibility with consumers, a turning point where they must decide whether to keep the same strategy and the same way of managing local and international situations and take into account these new challenges related to ethics in business even if in the short term will mean reducing profits. Empirical tests have shown that better corporate governance is highly correlated with better operating performance and market value.

I must say that this article is part of my PhD thesis entitled *"Optimization of organizational structures in the context of business internationalization"*, publicly presented in November 2012.

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THE ROLE OF STRATEGIC FLEXIBILITY IN MINIMIZING RESPONSE UNCERTAINTY OF PERCEIVED RISKS FACING MANUFACTURING SMES IN PAKISTAN

Abdul Majid[1] & Muhammad Yasir[2]

Abstract

The performance of manufacturing SMEs has declined in Pakistan. The task environment of manufacturing SMEs in Pakistan was studied for two main purposes: to identify the perceived environmental risks and to investigate if response uncertainty is a major issue for management while dealing with perceived risks. In the context of Pakistan, this study maintains that higher level of response uncertainty in task environment creates the condition to adopt more flexible structures, practices and strategies. To assess the existence of response uncertainty, three dimensions of uncertainty: state, effect, and response were examined in four manufacturing SME clusters. 65 semi-structured interviews were conducted with senior level managers and owners of the manufacturing SMEs. Analysis of the data demonstrated that the situation of state and effect uncertainty is not so alarming, but, the major problem for management to deal with perceived risks is response uncertainty. This article suggests that adopting flexibility in different organizational constituencies like structure, functions, HR practices, marketing, and most importantly in management will provide appropriate ways to ameliorate response uncertainty and deal effectively with perceived environmental risks. This modified ontology provides better application of flexibility in manufacturing SMEs in Pakistan.

Keywords
Uncertainty, flexibility, task environment, manufacturing SMEs, Pakistan

Introduction
Human societies around the world pass through different stages of their development. The organizations existing in these diverse social contexts also have different structural and functional characteristics. Keeping in view the developments in Western societies, post-bureaucracy is often considered as the most appropriate term for explaining the contemporary trajectory of some organizations, which is characterized by flexibility in structure, and multi-skilled workers (Volberda, 1997), whereas, the societies in the developing countries still seem to be nurturing traditional and bureaucratic structures (Kirkpatrick et al., 2012). Modern or bureaucratic organizations are characterized by micro division of labour, as well as defined hierarchy, rule-based procedures of working, a relative absence of informal relations and standardized criteria for promotion and demotion (Du Gay, 2000). Perhaps a major reason for transforming organizations from

pre-bureaucratic to bureaucratic and post-bureaucratic structures during the past two centuries was to develop the more effective forms of organizational structure in response to environmental contingencies. Here the dimensions of organizational structure include: division of labour, authority and control (Mintzberg, 1983; Robbins and Barnwell, 2002). Bureaucracy and post-bureaucracy are considered as two ideal types to solve the problems of organizational structure in different organizational contexts (Bolin and Harenstam, 2008). For example Bolin and Harenstam (2008) conducted a study on ninety work-places in Mid-Sweden to analyse the bureaucratic and post-bureaucratic organizational characteristics in which they found that uncertain and changing environment is a driving force for flexible organizational structure. Likewise, Castells (2000) in *Rise of Network Society* claims that organizations are moving towards flexible structures in uncertain environments. Hence, the rationale here is that where an organizational environment is unpredictable and fast moving, where the variables comprising the environment remain undefined, or the rate of change in variables is unknown; bureaucratic structures are the least effective response to meet the environmental uncertainties because of their top down mechanistic modes of command and control (see Volberda, 1997). In contrast, post-bureaucracies are taken to be more suited to such dynamic environments as their defining characteristic is often presented as a reliance upon responsibly autonomous employees empowered to flexibly deal with unpredictable production demands rather than being merely compliant with rules and direct supervisory commands (see Johnson et al., 2009). In other words, the more the environmental uncertainty, the more will be the need for greater organizational flexibility (Burns and Stalker, 1961; Eppink, 1978).

The research reported in this paper focuses on the analysis of task environment of small and medium enterprises operating in manufacturing sector of Pakistan. Small and medium enterprises (SMEs) are amongst the major sources of employment, income and GDP in the economy. However, the statistics reveal that current performance of SMEs in Pakistan is not satisfactory and the graph of performance indicators shows a continuous downward trend since the year 2009 (*The Economic Survey of Pakistan*, various years). This trend could be attributed to various factors existing in the task environment that adversely affect the sale, profit margin, and market share. Management and decision makers of SMEs are well aware of these factors and their effects; however, the major issue is their lack of awareness about the response options available to deal with affecting factors. In this research, these factors are identified as 'perceived task environmental risks' while the lack of awareness of management and decision makers about response options is identified as 'response uncertainty'.

The basic assumption of this research is that response uncertainty in the task environment of manufacturing SMEs in Pakistan demands greater organizational flexibility. There are three main objectives of this research. The first two are empirical: to identify the task environment perceived risks, and to investigate the existence of response uncertainty which is a major problem in dealing effectively with perceived risks in the task environment of manufacturing SMEs in Pakistan. The third objective involves the development of a conceptual framework for strategic flexibility to effectively deal with perceived task environmental risks. To achieve the objectives of this research, unstructured interviews were conducted of 65 entrepreneurs from four SME clusters. For the balanced

assessment of the issue secondary data collected from internet sources, media reports and reports of non-governmental organizations (NGOs) were analysed as well.

In pursuit of these objectives we now turn to the literature focused on defining the concepts of uncertainty and flexibility, followed by a description of the research context of Pakistan. Subsequent sections are organized as: a detailed methodology; a report of empirical findings; a discussion of an implementation plan for more flexible manufacturing in SMEs; a conclusion.

Conceptual foundations of uncertainty and the Milliken's approach

Environment is one of the major areas of investigation in organizational analysis wherein, coping effectively with uncertainties is considered as a prerequisite to deal with the organizational environment (Crozier, 1964; Dess and Beard, 1984; Duncan, 1972; Ellis and Spielberg, 2003; Milliken, 1987; Taylor, 1984; Thompson, 1967). Various viewpoints are available in the management literature to conceptualize the notion of uncertainty e.g. unpredictability of the event (Cyert and March, 1963); lack of information for decision making (Thomson, 1967); complexity in the environment (Galbraith, 1973); complexity and rate of change in environmental variables (Daft et al., 1988). Despite the diverse views on uncertainty, there are two models that are generally followed by organizational researchers (Ellis and Spielberg, 2003). These are presented by Duncan (1972) who focuses on the characteristics of uncertainty, and Milliken (1987) who discusses its various types.

According to Duncan (1972), characteristics of uncertainties include: lack of information about the environmental factors associated with a given decision situation; lack of knowledge of the outcomes and effects of a specific decision; and inability to assign probabilities with any degree of confidence i.e. how environmental factors affect the success or failure of the decision unit in performing its functions. Meanwhile, Milliken defined uncertainty as 'an individual's perceived inability to predict something accurately' (1987: 136). He also categorizes uncertainty into three types: state uncertainty, effect uncertainty, and response uncertainty. State uncertainty is related with organizational environment, and suggests that an individual is unable to predict the future changes in organizational environment or its particular component. In this situation, the top management of an organization is uncertain about the validity of its decisions. Duncan's model of uncertainty mostly focused on state uncertainty. Effect uncertainty, on the other hand, is related with the individual's ability to predict the effects of environmental change on organization. According to Milliken, it involves the lack of understanding of cause and effect relationship, whereby managers cannot be sure about the effects of change in the environment upon an organization. Finally, the response uncertainty is related with the 'response option available to the organization, and what the value or utility of each response might be' (Milliken, 1987: 137). It is defined earlier by Taylor (1984) as inability or lack of knowledge of managers to decide the response options, or to predict the consequences of each response.

An understanding of organizational and strategic flexibility

The notion of flexibility developed significance in Western societies during the second half of 20th Century whilst in the context of developing countries; it is in the earlier stages of development (see Kirkpatrick et al., 2012). As we have argued earlier flexibility is

considered as the characteristic of an organization that places it in a better position to respond effectively to environmental changes (Eppink, 1978; Volberda, 1997). The discourse of flexibility may be divided into three broad categories: organizational level flexibility (Linitch et al., 1996; Volberda, 1996, 1997); group level flexibility (Blyton and Morris, 1992; Cordery et al., 1993; Slomp and Molleman, 2002); and individual level flexibility (Anderson and Terborg, 1988; Molleman and Slomp, 1999; Värlander, 2012).

In organizational flexibility, the interrelated domains of flexibility include structural flexibility (Eppink, 1978; Krijnen, 1979; Overholt, 1997); functional and numerical flexibility (Atkinson 1984; Bagguley, 1990; Cohen et al., 1996); manufacturing flexibility (Gerwin, 1993; Groote, 1994; Gupta and Buzacott, 1989; Kathuria and Partovi, 1999); managerial flexibility (Adler, 1988; Bahrami, 1992; Holcomb et al., 2009; Slade, 2001); and strategic flexibility (Eppink, 1978; Zhang, 2005). Our focus in this research was upon one key aspect of organizational flexibility – the strategic.

Structural flexibility means developing a structure that would be helpful for the organization to operate successfully in the turbulent and uncertain environment. Functional flexibility refers to the ability of workers to work across traditionally separate occupational boundaries whilst numerical flexibility is the capability of an organization to vary headcounts according to the requirements. Various modes of functional flexibility include: job enrichment, job rotation, job enlargement and semi-autonomous work groups; whereas, some of the approaches of numerical flexibility include: temporary employees, contractors, and outsourcing. Manufacturing flexibility means adjusting the manufacturing processes to meet the environmental changes. Some of the methods of manufacturing flexibility include: deploying multifunctional machinery, equipment and devices; adopting flexible timing for the production purposes; developing new line of products; and adopting modified and modern methods of transformation etc. Managerial flexibilities focus on developing in managers a variety of capabilities and skills that would be helpful for decision making in the uncertain and changing environment. In contrast strategic flexibility is a much more all embracing concept and perhaps the most difficult to understand. Indeed because different researchers have presented different definitions. For example, Harrigan (1985) considered it as the ability of a firm to change the market strategies to capture and retain the customers. Others, such as Evans (1991), considered it as the ability to modify strategies whilst according to Sachenz (1995); it reflects the capabilities of a firm to deal with environmental changes by reorganizing its resources. Here strategic flexibility provides alternate ways and options to an organization to use its organizational resources, adopt modified structures, enhance functional flexibilities, and improve dynamic capabilities to operate in an uncertain and dynamic environment. In other words it enables and enhances other forms of organizational flexibility as it reflects the capabilities of an organization to use flexibly its resources, processes, structures, as well as the ability of managers and employees to deal with environmental changes, uncertainties, and complexities (Lau, 1996).

Organization is dependent on its environment for obtaining inputs and for supplying its outputs, as Eppink (1978) said that, it is therefore necessary for management to establish a good fit between environment and organization for long term survival. For creating the good fit it is necessary that management has sufficient knowledge about the

environment to make optimum decisions. If the environment is uncertain and most of the dimensions as well as the behaviour of the dimensions of the environment are hidden or unpredictable, it is impossible for the managers to make effective decisions. Volberda (1997) also explained this phenomenon arguing that when environmental changes are undefined and fast moving, it is difficult to manage the situation with conventional strategic management techniques.

So, with reference to its focus on task environment of manufacturing SMEs in Pakistan, this research proposes that the environment of the developing countries is relatively more uncertain than the environment of developed countries. In highly uncertain environment, management has limited information available for decision making. The situation is worsened in the developing countries by lack of appropriate education, knowledge, and dynamic capabilities on the part of management. Under this situation dealing effectively with the environment becomes even more problematic and challenging and theory suggests that greater strategic flexibility would be the most appropriate option in this situation (Aaker and Masceranhas, 1984; Eisenhardt and Martin, 2000; Evans, 1991; Shimizu and Hitt, 2004).

The case of Pakistan

Like most of the other developing countries, Pakistan is an agro-based economy. The majority of the rural population directly engaged in agri-businesses. In the cities such engagement is important but more indirect. Manufacturing is the second largest sector of economy. It consists of two subsectors: large scale manufacturing and small scale manufacturing. Large scale manufacturing comprises of 5 percent of the total manufacturing sector, while, small scale manufacturing comprises of 95 percent of the total manufacturing sector. Large scale manufacturing consists of textile, chemical, automobiles, fertilizer, leather products, wood products and iron and steel products etc (*The Economic Survey of Pakistan*, 2012). On the other hand, small scale manufacturing consists of micro, small and medium enterprises mainly operating in the form of industrial clusters as identified by Small and Medium Enterprises Development Authority (SMEDA). There are around 31 established clusters in the province of Punjab, 10 in Sindh, 4 in Khyber Pakhtoonkhwa, and 2 in the province of Baluchistan. There are more than 200 informal and unorganized clusters in different areas of Pakistan as well (SMEDA, 2012). Most of the manufacturing clusters are operating in the province of Punjab.

The manufacturing sector of Pakistan is facing a critical situation due to various general and task environment perceived risks. Some of the general environmental perceived risks that are currently affecting both large scale and small scale manufacturing are: power shortage, high interest rate, political instability, insecurity, terrorism, and extortion etc. As far as the task environment is concerned, every subsector of manufacturing has its own perceived risks.

Methodology

Semi-structured interviews were conducted for this research. The interviews were conducted with the purpose of achieving the empirical objectives of this research. Sixty five (65) interviews of owners/senior managers having decision making powers were conducted

from four SME clusters. These clusters included: Auto-body parts in the city of Lahore, electrical fitting in Sargodha, gas appliances in Gujranwala, and light engineering in Faisalabad. There were three main reasons for selection of these SME clusters. Firstly, these SME clusters are technologically more developed than other manufacturing clusters. Secondly, these clusters have proper organizational structures; and thirdly, there is a continuous declining trend in their output and profit margin during financial years 2007-2011.

As this research employs Milliken's approach of measuring uncertainty, a part of interviews was focused specifically upon the uncertainties identified by Milliken (1987) along-with the general focus upon the identification of perceived risks. Rigorous interview plan was developed and consent was sought from each interviewee via a letter covering the objectives of study and goals of the interview. The interviewees comprised of two groups: 45 owners (O) of businesses who were executives as well, and 20 senior level managers (SM). Senior level means those managers who occupied top or second place managerial positions in their respective organizations. Interviews were conducted face-to-face over four months period and were recorded through the digital voice recorder. The interviews were conducted in local language to make it easier for interviewees to understand. Subsequently, these interviews were transcribed into English language to identify the most important points and ideas related with state, effect, and response uncertainties as well as perceived task environmental risks. After identifying the key points of each interview, data was analysed critically to classify the responses received from interviewees. The detail of these responses and their classification is given out in the following section of discussion.

Key findings and discussion

The interviews for this study were conducted to analyse the uncertainties of the task environment of manufacturing SMEs in Pakistan. There were two major objectives of conducting interviews: to identify task environment perceived risks; and to consider if and how manufacturing SMEs are affected by response uncertainty. As discussed earlier, Milliken (1987) model was used for this research which explains that if there are state and effect uncertainties in the task environment of selected clusters then entrepreneurs cannot identify environmental risks and their effects on enterprises. On the other hand, if managers are able to identify the risks and their impacts upon enterprises, it signifies that there is no state and effect uncertainty. In the current study, we have identified from the results of data analysis that state and effect uncertainties do not exist in the SME sector. However, an extremely high level of response uncertainty appeared to be present in the SMEs of Pakistan.

For a comprehensive analysis of collected data regarding state and effect uncertainties, we read all the responses carefully and then divided them into two categories i.e. agreement and disagreement on the basis of positive or negative responses regarding the information on state and effect of task environment.

State uncertainty

The analyzed data revealed that 56 respondents (39 owners and 17 senior managers) had knowledge about current and expected future state of their task environment. There was no uncertainty regarding the existing or future state of task environment because most

of the owners, senior managers, and decision makers claimed to have the capability to predict the expected changes in task environment based on their past experiences. Table-1 shows the number of respondents who agreed or disagreed with having information about the current and future state of their task environment.

Table 1. *Information about state of task environment*

Although, in Table 1 we have categorized the responses on state uncertainty into two types on the basis of their overall implication, the interviews helped in obtaining more detailed response from each interviewee. In the following paragraphs we have provided two responses of a Senior Manager and an Owner that typically explain the situation and represent the general opinion of 56 respondents about this issue. We have omitted the names of respondents and their respective organizations to ensure their privacy. The senior manager (Mr. X) [1] explained the situation in the following way:

All the businesses in Pakistan are facing the problem of energy shortage. I do not know about the state of other industries but if the same situation persists for another year or two in our industry, we will have to stop our production and operations… Over and above it, we are facing tough competition from China in our domestic market… We are also facing difficulties in procuring raw material for our production, and once we arrange it we cannot transform it to finished goods because of the energy shortage in the country. Currently, we are unable to fulfil the demands of local market and we cannot fulfil the demand in the future as well, because we know that this situation will persist at least in the near future.

Another respondent who was both owner and senior executive of the enterprise expressed:

Currently we are facing many problems. This industry is facing the immense shortfall of electricity. Being a small enterprise, we have very limited resources to arrange alternate sources of energy. In this situation; Government of Pakistan has not been supporting us to deal with the electricity shortage. We are also facing the problem of raw material shortage because our suppliers are also affected by the same problems that we are facing. Besides, there is political instability, terrorism and insecurity in Pakistan. We have shortage of financial resources, and China is rapidly capturing the market. This is the most drastic situation of the economy since independence. It is impossible for the economy to get worse than it currently is. We are living in this situation since 2006 and there is no hope that the situation will become better in the next ten years.

The responses reveal that the management has insight about the task environmental issues and its future state. Based on their past experience, most of the interviewees were almost certain that the situation will not change in the future and they will have similar or much worse conditions to deal with. Therefore, it can simply be concluded that the decision makers of manufacturing SMEs in Pakistan are not facing the problem of state uncertainty.

Effect uncertainty

The results of interviews reveal that most of the respondents were well aware of the effects of these risks on their enterprises. The analyzed data reveals that 52 respondents

(37 Owners and 15 Senior Managers) had strong understanding of the effects of perceived risks on their enterprises. Table 2 shows the number of respondents who have knowledge about the effects of task environment perceived risks.

Table 2. *Information about effects of task environmental factors on organization*

The responses of the interviews show that effect uncertainty do not exist in the task environment of manufacturing SMEs in Pakistan. The following paragraphs are extracted from the discussion of two respondents (1 Senior Manager and 1 Owner) on the situation of effect uncertainty. These two responses represent the general opinion of 53 respondents about this issue. The senior manager (I) proclaimed that:

Our output is badly affected by electricity and supplies shortage. We are operating at the minimum level. Average working hours per day are hardly two or three. Our production cost is continuously increasing due to increase in fixed cost. If I am not wrong, we are not operating even at break-even point. Workers are de-motivated and most of them are trying to find another better opportunity… Obsolete technology is another reason that we cannot enjoy the benefits of economies of scale… However, unless we have the right number of skilled workers and staff, owners are not ready to upgrade the existing technology.

The response of the senior manager reveals that effect uncertainty is not an issue for these enterprises. Similar arguments were made by Mr. B who was working as both the owner and senior executive. He explained the situation in the following words:

Current situation has destroyed us. Our organization remains closed for four days in week. We are forced to start downsizing because we are unable to pay the salaries of employees… and most of our skilled workers have already left us. Even Government of Pakistan is not helping us… and under this situation without electricity… without skilled workers…and without appropriate quantity of raw material we cannot survive much longer, and it has become almost impossible for us to compete with the low cost foreign products in our markets. If the situation persists we will have to permanently close our production unit in the near future.

The responses of senior manager and business owner, which represent the opinion of 52 respondents, reveal that the managers and owners had apparent understanding of the problems and their effects. It explains that state and effect uncertainty were not the primary entrepreneurial issues in these organizations. However, the decision makers in general had no idea of how they could respond effectively to this threatening situation. .

Identification of perceived risks

Identification of perceived risk was first objective of this research. We conducted content analysis of the responses to identify the perceived risks. After conducting content analysis, seven perceived risks were identified. Three of which were related with the general environment while four were related with task environment. After categorizing the risks into general and task environmental risks, we categorized all the responses into two more categories: responses that identified the task environmental risks; and, responses that did not identify task environmental risks. Table 3 presents the task environmental perceived risks along with number of respondents who identified these risks.

Table 3. *Identification of perceived task environmental risks*

In the following paragraphs we will discuss above mentioned four perceived risks in detail, which would be helpful to understand the task environment of manufacturing SMEs in Pakistan.

The biggest problem for manufacturing SMEs is the shortage of energy (electricity). Due to shortage and a discontinuous supply of electricity, average working days for manufacturing SMEs are restricted to around 120 to 150 days per year (Federation of Pakistan Chamber of Commerce and Industry (FPCCI), 2012). In Pakistan, the shortfall of electricity in the month of November, 2012 was 4800MW per day (Kiani, 2012). Pakistan generates electricity with three different sources: hydroelectric (6,463 megawatts, 33%), thermal (12,580 megawatts, 65%), and nuclear (462 megawatts, 2%). There are three major agencies which are generating and distributing electricity in Pakistan; these are Water and Power Development Authority (WAPDA), Karachi Electric Supply Company (KESC) and Independent Power Producers (IPP). Their installed operational capacities are: WAPDA: 11328 MW; KESC: 1755MW and IPPs: 5970 MW (HDIP, 2008). The current energy crisis started in the early 1990s. The government engaged nineteen IPPs to generate electricity in Pakistan. At the time of installation, their total capacity was 3158MW and total investment was 4.0 billion USD. Later on, due to the expansion in their production capacity, the total installed capacity was raised to 5970MW till March, 2003. Until the year 2005, the aggregate supply was more than the aggregate demand, but afterwards the ineffective planning and the need for additional sources of power generation resulted in an increasing gap between demand and supply (National Electric Power Regulatory Authority (NEPRA), 2007). There are many reasons behind this crisis, some of which include ineffective management of energy resources like dams, changing policies of the government, no accountability of the policy makers, corruption in power projects, non-payment of outstanding dues by the Government of Pakistan to IPPs, and inaccurate calculations and forecasts of future requirements.

Shortage of raw material for is the second perceived risk for most of the SMEs. Manufacturing sector SMEs mostly depend on Pakistan Steel Mills (PSM) for supplies of raw iron (PSM is a government owned company). The overall supply chain from supplier to PSM to manufacturing SMEs is the best example of poor supply chain management. Pakistan Steel Mills has a long history of issues with its suppliers, which is the major reason that Pakistan Steel is not operating at its maximum capacity. Low output of Pakistan Steel Mills adversely affects the supply of raw iron to various manufacturing SMEs clusters. There are various other steel mills in Pakistan (e.g. Aisha Steel Mills LTD, Shalimar Steel, Tuwairqi Steel Mills, Nazir Sons Steel Mills etc.) but their supplies to manufacturing SMEs are very low (Pakistan Steel Melters Association (PSMA), 2012).

In addition to electricity and material shortage, manufacturing SMEs are also facing the shortage of skilled workers. Most of the small enterprises want to upgrade their production technology, but they are unable to do so because of non-availability of skilled workers, technician and engineers. Therefore, most of the manufacturing SMEs are unable to enjoy the benefits of manufacturing with modern technology and achieving economies of scale.

Competition in the local market is another risk factor in the task environment of manufacturing SMEs. Production of the SME sector in Pakistan is insufficient to meet the local demands, while the cost of manufacturing is higher. International suppliers especially China are capturing the local market by supplying standardized products. On top of that, the local importers attempt to capture the market by spreading rumours that Pakistani products are not available in the market or that Chinese products are cheaper and of better in quality.

Response uncertainty

In the previous paragraphs we discussed perceived risks existing in the task environment. The second objective of this study was to investigate the existence of response uncertainty. The analysis of data rejects the existence of state and effect uncertainty in the task environment of manufacturing SMEs. However, the real issue for enterprises is response uncertainty. Most of the decision makers including managers and owners were not aware of the response options available to deal with task environment perceived risks. Table 4 presents the number of respondents that responded positively to the awareness of response options available to deal task environmental risks. Positive response described that respondents had knowledge about the response options available to cope with four identified perceived risks.

Table 4. *Views on information about response options available to deal with task environmental risks*

The responses of the interviews show that decision makers were facing response uncertainty. In the following paragraphs two responses (1 Senior Manager and 1 Owner) that explain the situation of response uncertainty are provided. These two are the most representative responses of the general opinion of 49 interviewees about this issue. The senior manager Mr. M. claimed:

We have adopted some measures to cope with existing situation. In the short run it might help us to minimize the effect of environmental changes, but in the long run I am not sure that it will be so effective. We have no clear plan to fix these issues in the long run.

The response of senior managers describes that he was uncertain about the response options and their effects to cope with the task environment perceived risks. Almost similar response was received from an owner Mr. B. who described the situation in the following words:

We have prepared short term policies to deal with the problems of raw material and workers' shortage but the most important issues are still unattended. We are currently standing in a void and we have no ideas of what to do next.

The above discussion and analysis of data shows that manufacturing enterprises in Pakistan are affected by response uncertainty. The decision makers can easily identify the perceived environmental risks but they are facing lack of appropriate responses to deal with these variables in the future. On the basis of analyzed data, we could easily conclude that manufacturing SMEs in Pakistan are not affected by state and effect uncertainty in its task environment. But we can easily conclude that these SMEs are affected by response uncertainty. In the following section, implementation plan has been proposed to deal effectively with task environment perceived risks.

Implementation plan for manufacturing SMEs

There is evidence available in the relevant literature that appropriate policies could minimize the effects of perceived risks (Ashill and Jobber, 2010; Wilderom et al., 2012). From this research, it is evident that manufacturing SMEs in Pakistan are facing higher level of response uncertainty. The decision makers have no idea of how to respond the perceived environmental risks. However, flexibility in different dimensions of the organization would provide an opportunity to management to cope with the perceived risks existing in the task environment. Strategic flexibility is the most appropriate amongst the flexibility strategies in this situation. In this research we have identified strategic flexibility as a combination of different flexible strategies: manufacturing flexibility, functional flexibility, managerial flexibility, flexibility in purchasing system, and marketing flexibility. In the following paragraph we discuss these flexibilities individually.

1.Energy crisis is the major perceived risk for manufacturing SMEs in Pakistan. Most of the production units use electricity for production purposes. In response to the question regarding the availability of electricity, one of the interviewees who was an owner and senior manager at the same time told us that electricity was available only for two to three hours during 8 AM to 5 PM which are the normal working hours of industry and most of the workers prefer to work during these hours. After 5 PM the supply of electricity gets relatively better, but workers are reluctant to work at these hours. Most of the workers want to spend evening and night time with their families. That is the major reasons that majority of workers left the industry and were doing temporary jobs somewhere else on a daily or hourly basis. As discussed previously, SME sector is unable to adopt alternate energy sources due to the shortage of financial resources. In this scenario they have just two options available i.e. either to adopt flexible timings or close down the factory. Flexible timing is one of the dimensions of manufacturing flexibility. As stated by Kim 'Probably the most widely held view of manufacturing flexibility is that it is about how fast a manufacturer can adapt its operations to meet the needs of changing conditions and competitive environments. A flexible manufacturer is one that can quickly adjust its operations to events such as changes in demands for its products, changes in consumer tastes, variations in supplier quality and lead times, and emergences of new product and process …' (Kim, 1991: 4). In the case of SMEs in Pakistan, adopting manufacturing flexibility in a way that production unit might start its production process on those hours in which electricity is continuously available could help to minimize the effects of electricity shortage. Management should motivate the workers for working in flexible hours through flexible pay scales and additional facilities. Flexible work plan by giving options to workforce to work on weekly hours, monthly hours or even annual hours can motivate them to work after 5- PM.

2.Shortage of skilled workers is a major reason because of which most of the manufacturing SMEs are reluctant to install modern production technology. Atkinson (1984) presented two strategies of flexibility to deal with the issues of human resource shortage: functional flexibility; and numerical flexibility. The purpose of functional flexibility is to improve the capabilities of existing workers. The objectives of functional flexibility can be achieved through job enrichment, job rotation, job enlargement, and

teamwork. Through developing functional flexibility, small and medium enterprises can increase the numbers of multi-skilled workers. Multi-skilled workers also decrease the dependency of organization on specific employees (Blyton and Morris, 1992). Numerical flexibility, on the other hand, is the capability of a firm to increase or decrease headcount quickly and easily. If manufacturing SMEs need skilled workers, they can arrange required workforce through different strategies like temporary workers, contractual workers, outsourcing etc. but only if those types of required employee are regularly available on the labour market. Where they are unavailable functional flexibility is the only available recourse. Besides making arrangements for the shortage of skilled workers, there is a dire need to increase the capabilities of managers and decision makers. Managerial inefficiency and incapability are among the major reasons of response uncertainty in SME sector. Most of the manufacturing SMEs are basically family owned businesses in which owners of the businesses are senior managers as well. In the existing task environment, new managerial capabilities are needed to handle perceived task environmental risks. Instead of depending on owners, highly responsive managers should be hired, who have dynamic capabilities and are capable enough to analyse the changes taking place in the task environment. Skilled managers could make decisions for manufacturing flexibility, organization stability, and respond effectively to perceived environmental risks at right time in the right way (Aaker and Mascarenhas 1984; Frazelle, 1986; Hatum and Pettigrew, 2004).

3.Flexibility in purchasing and supply chain management system of the enterprise could resolve the problem of raw material shortage (Ammer, 1974; Ellram and Carr, 1994). Majority of the manufacturing SMEs mostly depend only upon one supplier. When that supplier does not supply raw material to the enterprise, the production process is affected immediately. To deal with this problem, management must expand its list of suppliers by purchasing raw material from a various sources, if required, instead of depending only upon one supplier. Effects of extending the pool of supplier are twofold: it will decrease the dependency of enterprises upon one supplier on one hand, and decrease the bargaining power of the only supplier on the other.

4.Flexibility in marketing strategies will help manufacturing SMEs in gaining competitive advantage in the local market. Currently, local manufacturers do not perform marketing activities to attract the buyers and increase their market share. On other hand, local importers who import standardized products from China perform the marketing activities for imported goods. These importers are attempting to capture the whole of the local market because of the shortage of locally manufactured products. Management of manufacturing SMEs should plan strong marketing strategies to capture the attention of the target market (Baker and Sinkula, 2005; Davis et al., 1991). It will not only inform the buyers about the availability of local products at competitive prices, but will also create barriers for Chinese products to capture the whole market.

5.Finally, an effective strategy for the survival of manufacturing SMEs would be to join hands with their counterparts in the industry to cope with the environmental uncertainties. Flexible inter-agency alliances like consortia, networks, and virtual organizations could help the resource constrained SMEs in ensuring their survival and continued growth by the achievement of competitive advantage.

Conclusion

This article highlights the state of uncertainty in task environment of manufacturing SMEs in Pakistan. This research also presents flexibility as a strategic option to deal with task environment uncertainties. From the review of literature, it is evident that flexibility in the organizational dynamics is the most appropriate response to deal with environmental uncertainties. This theorization, with its focus on uncertainties of developing countries has been applied to the manufacturing SMEs in Pakistan.

The analysis of data identified four major task environmental risks. These risks include: shortage of energy/electricity, scarcity of raw material, lack of skilled workers and competition with foreign products. According to the data, these four factors are the major causes of continuous downfall in the performance of manufacturing sector SMEs in Pakistan. Moreover, the managers of SMEs were not clear about the response options available to deal with these perceived risks. Therefore, this research has offered the most applicable approach in the form of strategic flexibility to deal effectively with the perceived risks.

The problem of electricity/energy shortage could be dealt with enhanced flexibility in the manufacturing system while, the issue of labour shortage can be resolved through functional and/or numerical flexibility. The problem of raw material may be solved through expanding the pool of suppliers instead of depending only upon one supplier. Effectively managing the supply chain by adopting flexibility in suppliers can easily fulfil the demand of raw material to manufacturing SMEs. To deal with the foreign products in the local market, marketing flexibility could be the most feasible option for SMEs. Currently, the manufacturing SMEs do not use any marketing tools to target the potential consumers; while, the importers of foreign products have created separate departments to perform marketing activities aimed at capturing the consumers' attention and increasing their market share.

By discussing the response uncertainty of task environment and the role of strategic flexibility in the context of developing countries, this research introduces new dimensions in the research on post-bureaucracy. Most importantly, while taking the case of Pakistan, it highlights the significance of strategic flexibility for the enterprises of the developing countries. Therefore, it is a significant contribution to the post-bureaucratic organization research in the sense that it identifies the potential for post-bureaucratic attributes in developing countries which often have been seen as in transition between traditional and bureaucratic modes of organization (see Kirkpatrick et al., 2012). Nonetheless, as the research was conducted only in Pakistan, the nature of perceived risks and the requirements of strategic flexibility could be different in the other societies. For example, even within Pakistan, the clusters selected for this research were operating only in the province of Punjab due to the reason that the majority of manufacturing clusters exist in this province. However the reports of government and non-governmental sources indicate that the sectors operating in other provinces like Baluchistan and Khyber Pakhtoonkhwa are mostly affected by general environment perceived risks including terrorism and deteriorating law-and-order situation etc. The studies of strategic flexibility and post-bureaucracy in turbulent environments as well as in the other developing societies around the world are the areas open for future research.

Notes

1. The names of respondents and their respective organizations have not been mentioned in the paper to ensure their confidentiality. However, the first letters from the names of managers have been used to distinguish them in the discussion of this paper.

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Table 1. *Information about state of task environment*

Category of Respondents	Agreement	Disagreement
Owner	39	06
Senior Level Managers	17	03

Table 2. *Information about effects of task environmental factors on organization*

Category of Respondents	Positive	Negative
Owner	37	08
Senior Level Managers	15	05

Table 3. *Identification of perceived task environmental risks*

Perceived environmental risks	Identified	Not identified
Shortage of electricity	65	00
Scarcity of raw material	41	24
Lack of skilled worker	47	18
Market competition	49	16

Political instability, Terrorism, and Governmental support are categorized as the areas of General Environment

Table 4. *Views on information about response options available to deal with task environmental risks*

Category of Respondents	Positive	Negative
Owner	09	36
Senior Level Managers	07	13

THE ROLE OF CROSS-TRAINING IN REDUCING THE LEVEL OF LABOR TURNOVER APPLIED STUDY ON SOME HOTELS IN TRIPOLI - LIBYA

Atiya Thabet Abuharris, Ph.D.
The Libyan Academy, Tripoli - Libya
E-mail:atiyathabet@gmail.com

Abstract

Cross-Training is an effective training technology which results in employee motivation and problem-solving. A good cross-training plan can encourage employees to learn more about all sides of the business and is able to jump in to help anytime, anywhere when other departments need to be supported. The tourism industry is a labor-intensive service industry dependent for survival and competitive advantage on the availability of good quality personnel to deliver, operate and manage the tourist product.

Cross-training is presented as a learning opportunity whose main purpose is to build employee motivation, reduce turnover and increase productivity for industries. The interaction between tourist and tourism industry personnel is an integral part of the total tourist experience. Generally speaking, hospitality industry has one of the highest levels of skill shortages and Libya is no exception.

This paper focuses on skills relating to cross training in hotels industry. The paper considers the key arguments from Libya's perspective in the context of hotels industry regarding cross training and its effect on labor turnover .Three hotels have been selected for the study by distributing and collecting questionnaire on 91 employees. The Statistical Package for the Social Sciences (SPSS) was used to analyze the data. Both hypothesis of the study were tested. The first one indicated that there is a negative relationship between the level of per capita income and labor turnover and the other one tested if cross training has an effect on labor turnover rates.

The effect of employee's income on labor turnover has been tested, in order to find out if employees' income is the only factor effects labor turnover, or cross training is another factor which has its effect on labor turnover too. Labor turnover average in selected hotels illustrated. Justifications of labor turnover will be tested and solutions for reducing labor turn over will be presented.

Keywords: cross-training, labor turnover , hotels, employees' income, Libya.

1. Introduction

Libya has an extensive and varied range of tourism resources that are spread widely throughout the country. These include attractive natural features and many different landscapes of the vast Libyan desert, human achievements in the form of buildings, town, art history as well as modern man-made attractions etc. These unique attractions need the provision of additional facilities to improve the presentation and interpretation at the major sites as well as leisure facilities to improve visitor comfort (WTO, 1998) . All hotels, beach resorts and restaurants should be staffed with skilled managers and technical

services personnel to be more familiar with customers' needs and wants, help them to handle their enquiries and complaints as well as to meet an international standard of skills that cross training brings (Abuharris, 2005).

Training is planned effort to provide employees with specific skills to perform their present jobs. Effective training can increase business income, make employees confident to perform their professional skills successfully and take their responsibilities efficiently for industries. Poor, inappropriate, or inadequate training can be a source of frustration for everyone involved. Cross training is a method of training in which employees are assigned to different jobs to expand their skills base and to learn more various parts of the organization (Hsin et al, 2005).

Simply speaking, cross training involves moving trainees from one job to another. For example, housekeeping can cross-train in front office and vice-versa; front office in marketing, sales, public relations, food & beverage, banquets, security; marketing & Sales in front office, food & beverage, purchasing; food & beverage service in the culinary department and vice versa. Moving human resources in different departments and vice versa. It can benefit workers since cross training is the chance for entry-level workers to learn a new skill and see how work is performed in many different jobs. In addition, it could be potential to lead to a promotion.

Employees are considered an important input for the production and delivery of services. Understanding what motivates employees would play an important role in gaining competitive advantage. This is also a well known fact that motivation is an essential element in attaining quality (Juran, 1992: 4).

2. Turnover- A serious labor problem

Turnover can be defined as each time a position is vacated, either voluntarily or involuntarily, a new employee must to be hired and trained. The replacement cycle is known as Turnover" (Woods, 2002).

Typically speaking, it takes about a year for a new manager to become fully productive. Table 1. shows the number of labor turnover in the hotels which entered the study. Due to the circumstances the country has been through during the new revolution hotels opening hours were not stable, in addition to low rooms rate, the researcher decided to collect the information listed in (table nr. 1) during the years 2009 , 2010.

Table no. 1 labor turnover average in the hotels entered the study

Hotel Name	Job title	Number of employees	Labor turnover (2009)	Labor turnover (2010)
Alwadan(Foreign)				
	Front office	14	3	7
	Cook	28	4	6
	Water	36	8	10
	Kitchen Cleaner	16	3	4
	Roommate	42	14	12
	Maintenances	14	0	0

	Security	24	4	0
	Porter	5	2	3
	Accountant	8	1	0
	Manager	5	4	5
Babalbahar(Public)				
	ꞌFront office	15	0	1
	Cook	25	8	2
	Water	63	21	7
	Kitchen cleaner	21	3	3
	Roommate	41	7	3
	Maintenances	30	2	0
	Security	34	4	0
	Porter	6	0	0
	Accountant	18	0	0
	Manager	6	1	0
Alfsoal alarbia(Private)				
	Front office	5	3	3
	Cook	2	1	1
	Water	2	0	0
	Kitchen cleaners	2	1	1
	Roommate	5	5	5
	Maintenances	1	0	0
	Security	3	3	3
	Porter	1	0	0
	Accountant	1	0	0
	Manager	1	0	0

Source: field study using face to face interview

If employees are not satisfied, they will not perform to expected norms. Workplace dissatisfaction and poor performance usually lead to high employee turnover in the hotel industry (Lam et al, 2001). Balta (2006) reported that in order to reduce labor turnover and retain productive employees, management has to improve working conditions and keep the employees properly motivated. Cross training is considered as motivated element may help to reduce labor turnover and increase employees loyalty.

Turnover is a big labor problem that hospitality managers must cope with. According to the National Restaurant Association, median turnover for the restaurant industry is between 90 percent and 130 percent annually, depending on the type of restaurant. One hotel operator reports that most departing employees are room attendants, food service ,and bus help, and nearly half of them leaving during the first two weeks of employment. One result of this high turnover rate is that many hotel and restaurant

employees are not well trained or experienced enough to provide the quality of service customers expect (Angelo &Vladimir, 1998). Also, the 1997 American Hotel and Lodging Function survey on turnover, the largest study of this kind over conducted, found that employee turnover in the lodging industry was about 50.4 percent annually overall. Turnover varies by region, by segment, and by company, but the lodging industry turnover rate is about five times the average of all industries in the United States (Woods, 2002).

3. The Importance of Cross Training

There is no doubt that trained employees have higher productivity than new employees do. For example, trained employees could serve more tables and sell more items than do trainees. Studies found that it takes about three months for a new employee to reach the level of productivity of a trained employee (Angelo & Vladimir, 1998). According to Hinkin (1995), approximately 68 percentage of money is spent on the salaries of training personnel. A research conducted by the American Society for Training and Development showed that employer-provided training is on the rise in terms of the amount of money invested and the percentage of employees being trained. Today, 37 percentage of hospitality companies' list training is as a line item in budget (Woods, 2002)

The principles of effective training dictate that training needs to be tailored to suit individual needs. If these principles are followed and understood the following benefits can be obtained which may result in reducing labor turnover (Hsin et al, 2005): minimize learning costs, Improve individual, team and corporate performance in terms of output, quality,speed and overall productivity. Improve operational flexibility by extending the range of skills possessed by employees (multi skilling). Attract high quality employees by offering them learning and development opportunities increasing their levels of competence and enhancing their skills thus enabling them to obtain more job satisfaction to gain higher rewards and to progress within the organization. Increase the commitment of employees by encouraging them to identify with the mission& objectives of the organization. Help to manage change by increasing understanding of the reasons for change and providing people with the knowledge and skills they need to adjust to new situations. •Help develop a positive culture in the organization, one for example that is orientated towards performance improvement. Provide higher levels of service to customers (Hsin et al, 2005).

The effect of management training at the top filters can be downward throughout the entire organization where well trained staffs build stronger teams of employees, in turn leading to better financial results.

4. Types of Cross-Training

Cross training can be used in almost any position in almost any industry. For instance, He cross trained some of his design engineers to go on field installation trips and get first hand knowledge of how their designs worked, or didn't work, in the field. He emphasized, "Cross training is good for managers, because it provides more flexibility in managing the work force to get the job done. However, done right, cross training is good for the employees too. It lets them learn new skills, makes them more valuable, and can combat worker boredom." Cross training brings an effective and efficient effect for the

entire organization where well-trained staff builds up stronger teams of employees, in turn leading to better financial results.

Cross training is divided into three types on the basis of the depth of information provided. The three types of cross training are positional clarification, positional modeling, and positional rotation.

4.1. Positional Clarification

Positional clarification is a form of awareness training aimed at providing employees with general acknowledge of each worker's general position and associated responsibilities. The end result is knowledge about the overall department's structure or architecture and knowledge about the general responsibilities of each worker's respective role and the general requirements of the department. Training methods for positional clarification include discuss, lecture, and demonstration (Cannon et al, 1998).

4.2. Positional Modeling

Positional Modeling is a training procedure in which the duties of each employee are discussed and observed. The emphasis is on direct observations, so positional modeling provides details beyond what is learned in positional clarification. Positional modeling provides detail information involving the general dynamics of the department, knowledge about each worker's duties, and an understanding of how those duties relate to and affect those of the other employees. This method, behavior observation has been used successfully to teach concrete behavior such as how to operate equipment, assemble a machine, and perform a surgical procedure (Cannon bowers, 1998).

4.3. Positional Rotation

Positional rotation provides employees with a working knowledge of each worker's specific tasks and how those tasks interact through direct, hand-on practice. The method is similar to job rotation in that workers gain first-hand knowledge and experience in the specific tasks of other departments. The goal is for employees to gain improved understanding of the interaction between departments and to develop different perspectives of tasks. Ideally, employees can be trained in those tasks that demand cooperation and high interdependencies among departments (Cannon et al, 1998).

Varies Cross Training involves in Varies industries. Position rotation involves moving trainees from one job to another. This training method is widely used in training hospitality managers. (Woods, 2002) Many of whom spend a certain number of weeks in each job before assuming their managerial duties. An advantage of position rotation is that trainees can see how work is performed in many different jobs. Trainees also get to know the employees in each position involved in their position.

5. Methodology

Participants for this study were employees of three different hotels: Bab albahair Hotel (five stars/ public) Four season Hotel (four stars/ private) , Alwadan Hotel (five stars/ foreign investment). Those hotels have been identified as well known in Tripoli. A self-administered questionnaire was constructed to obtain the required data. The preparation of the questionnaire began with a review of literature. The relevant literature, survey

instruments used by past studies, and information derived from the particular hotel's human resources manager and the academia provided the basis for developing the questionnaire. The insight drawn from the analysis of the pilot study that took place in the first phase of the research was also taken into account. The questionnaire divided into two parts, The first part of the questionnaire contained questions relating to socio-demographic data about the participants. The second part was designed to gather information about the role of cross training in reducing labor turnover at the above mentioned hotels. Ten factors were listed in the questionnaire to find out about the employees point of view regarding cross training and its effect on labor turnover. An ordinal scale of 1 = No 2 = Not Sure, and 3= Yes was used in this part of the questionnaire.

5.1. Procedure

Before commencing the application of the questionnaires, contact was made with senior personal of the hotels and permission granted for the researcher to visit the hotel and distribute the questionnaires. First, a pilot test was undertaken to ensure that the wordings of the questionnaire were clear. The main study was conducted during two weeks in May, 2013. The target population of the study was full time employees who worked in these particular hotels during the data collection period. The questionnaires were distributed among theme. A convenience sampling approach was employed and (91) questionnaires were distributed to the employees who inclined to take the questionnaires. All questionnaires were completed and upon completion were returned to researcher. The Statistical Package for the Social Sciences (SPSS) was used to analyze the data.

5.2. Data analysis and findings

Hypothesis of the study tested using the Statistical Package for the Social Sciences (SPSS) as follows:

Hypothesis(1) : There is a negative relationship between the level of per capita income and labor turnover.

Table no. 2 Shows the relationship between the level of monthly income and labor turnover

labor turnover	level of monthly income		
-0.568(**)	1	Pearson Correlation	level of monthly income
0.000		Sig. (2-tailed)	
91	91	N	
1	-0.568(**)	Pearson Correlation	labor turnover
	0.000	Sig. (2-tailed)	
91	91	N	

 Source: field study

** Correlation is significant at the 0.01 level (2-tailed).

Table (nr. 2) Shows that the value of the correlation coefficient is – 0.568 which suggest that there is a negative relationship between the level of monthly income and labor turnover, The value of statistical significance is 0.000 which It refers to the significant relationship.

To test hypothesis (2) the following scale has been used:

Table no. 3.a The length of the scale cells

The direction of opinion	Mean
No	1 – 1.66
Not Sure	1.67 – 2.33
Yes	2.34 - 3

Hypothesis(2) : Cross training has an effect on labor turnover rates.

Table no. 3.b Statistical Description for Cross-Training and labor turnover pivots

Questions	Yes		Not Sure		No		Mean	Std. Deviation	direction of opinion
	Percent %	Frequency	Percent %	Frequency	Percent %	Frequency			
Received training on the practice of other works in the field of specialty in addition to my current.	51.6	47	20.9	19	27.5	25	2.24	0.86	Not Sure
You exercise more than a specialized function in the field during my time in hotel.	38.5	35	31.9	29	29.7	27	2.09	0.83	Not Sure
Training on more than one function in the field of specialty will provide you with additional information and gives you the opportunity to become a future leader.	42.9	39	33	30	24.2	22	2.19	0.80	Not Sure
Training on more than one function in the field of specialty gives you self-confidence.	63.7	58	25.3	23	11	10	2.53	0.69	yes
Training on a variety of functions and practice in the field of specialty eliminates job boredom .	50.5	46	33	30	16.5	15	2.34	0.75	yes
Training on a variety of functions and practice in the field of specialty raise the level of loyalty for the hotel.	61.5	56	27.5	25	11	10	2.53	0.69	yes

Training on a variety of functions and practice in the field of specialty gives you the skills and abilities to work any job in the field of specialty.	65.9	60	24.2	22	9.9	9	2.56	0.67	yes
Training on a variety of functions and practice in the field of specialty prolongs the period of your stay in the hotel you work for.	52.7	48	31.9	29	15.4	14	2.37	0.74	yes
Training on a variety of functions and practice in the field of specialization encourages you to accept the delegation of authority.	41.8	38	30.8	28	27.5	25	2.14	0.82	Not Sure
Training on a variety of functions and practice in the field of specialty helps you work places where there is a shortage to help colleagues in exceptional circumstances.	73.6	67	18.7	17	7.7	7	2.66	0.62	yes
Training on a variety of functions and practice in the field of specialization reduces thinking about moving to other institutions give better salaries and incentives.	45.1	41	19.8	18	35.2	32	2.10	0.90	Not Sure
Total							2.34	Yes	

Source: field study

Table (nr. 3.b) Shows that the mean value of the Cross-Training and labor turnover pivots is 2.34 which is Moving towards accepting of the research sample on the relationship between Cross-Training and labor turnover, In other words, for training in the area of specialization impact on the survival of workers in the workplace and do not search for jobs in other places.

Table no. 3.c Cross tabulation between Level of Income and Training on a variety of functions and practice in the field of specialty prolongs the period of the hotel you stay to work.

			Training on a variety of functions and practice in the field of specialty prolongs the period of the hotel you stay to work			Total
			No	Not Sure	Yes	
Level of Income	Less than 300 L.D	Frequency	0	0	2	2
		Percent %	0	0	100	100

	300 D.L - Less than 600 L.D	Frequency	2	9	14	25
		Percent %	8	36	56	100
	600 D.L - Less than 900 L.D	Frequency	9	13	24	46
		Percent %	19.6	28.3	52.2	100
	Greater than 900 L.D	Frequency	3	7	8	18
		Percent %	16.7	38.9	44.4	100
Total		Frequency	14	29	48	91
		Percent %	15.4	31.9	52.7	100

Source: field study

Table (nr. 3.c) Shows that all members of the research sample which the level of income is less than 300 L.D and another members they had a different levels of income answered that Training on a variety of functions and practice in the field of specialty prolongs the period of work in the hotel, This means that Income is not the main reason for the reduction of labor turnover but also Training in the area of specialization is considered a major cause of the reduction of labor turnover.

Table no. 3.d Cross tabulation between Level of Income and Training on a variety of functions and practice in the field of specialization reduces thinking about moving to other institutions give better salaries and incentives.

			Training on a variety of functions and practice in the field of specialization reduces thinking about moving to other institutions give better salaries and incentives.			Total
			No	Not Sure	Yes	
Level of Income	Less than 300 L.D	Frequency	0	1	1	2
		Percent %	0	50	50	100
	300 D.L - Less than 600 L.D	Frequency	9	4	12	25
		Percent %	36	16	48	100
	600 D.L - Less than 900 L.D	Frequency	18	8	20	46
		Percent %	39.1	17.4	43.5	100
	Greater than 900	Frequency	5	5	8	18
		Percent %	27.8	27.8	44.4	100

	L.D					
Total		Frequency	32	18	41	91
		Percent %	35.2	19.8	45.1	100

Source: field study

The results in (table nr. 3.d) Also emphasizes not high salary and incentives are the only reason that contribute to the reduction of labor turnover but Training on a variety of functions and practice in the field of specialization reduces thinking about moving to other institutions give better salaries and incentives, Where the highest rates were for approval of all respondents for all income groups.

6. Conclusion

Training is often seen as a way to facilitate change, but it must be recognized that training affects everyone in an organization directly or indirectly. If well done, increased profits, promotions, and new jobs may result. If poorly conducted, there can be many negative effects, such as loss of credibility with employees, decreased performance, and increased conflict. In today's hospitality industries are seeking to minimize their training expensive by relying more on colleges and universities to prepare students for careers in the industry. For accounting purpose, training is viewed as an expensive, but it should also be viewed as an investment in the future of an organization if employees are retained and continue to develop their knowledge and abilities.

A long discussion with senior staff and mangers has been made to find out the most major reasons of labor turnover in the hotels included in the study. The first reason was competitive hotels in the area, as a new private and foreign investment hotels has been emerged, employees started to move to these hotels where they have been offered better salaries. The second reason was related to changing job environment by moving to other organizations, such as oil companies where they also offered higher salaries and better working conditions. This may confirm that, employees always look for better incentives. However, from the above findings, cross training may play a role in increasing employees knowledge, competent, capability, self confidence and moral. This may has an effect on the employees' loyalty towards their organizations which may result in reducing labor turnover and make employees feel and touch the high care and attention of the organization towards them.

As the findings results shows, it can be seen that employees income is not the only factor which may effect on labor turn over. Also, cross training is another factor which has its effect on labor turnover in hotels. In order to mitigate labor turn over in hotels industry. Both income and cross training should be carefully considered. This will result in achieving both the organization and the individual objectives.

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RESEARCHING ROMANIAN TOURISTS' OPINION REGARDING 'PRICES IN TOURISM'

Lectuer Ph.D. Andreea Marin Pantelescu
Lectuer Ph.D. Laura Cristina Maniu
Economist Cristina Iuliana Pana

Abstract

'Prices in tourism' represent a very delicate and difficult subject if you think that a single service can have at least ten different prices in and out of tourism season.

In particular for this industry, tourism services quality need to be considered in the light of price. Why? Because the tourists often accept that a better quality product will cost more.

The present paper is about researching Romanian tourists' opinion regarding 'prices in tourism' and offers practical solutions for improving the quality-price report for the Romanian tourism services.

Key words*: tourism, prices, tourists, quality-price report*

1. Introduction

There is widely accepted evidence that prices are one of the most important factors in decisions about whether, and where, to undertake trips (Forsyth and Dwyer, 2009).

Classical economists in tourism like Pender (1999) and Holloway (2002) strongly suggested that managers in organizations take decisions in such a way as to maximize profits. The complexity of the market place and internal cost (fixed and variable) in travel and tourism make this approach difficult. For instance, unless managers know exactly the extent to which reducing prices will increase their sales, they cannot predict that the reduction will maximize profits (Pender, 1999).

Seasonality of the tourism demand leads to expectations on pricing as demand for uptown city hotels from commercial business tends to reduce in high summer. On the other hand, tour operators and ferry companies are able to increase prices in high summer when demand is at its peak.

The travel and tourism industry is highly segmented industry, with varying elasticity of demand in those segments (leisure travelers vs. business travelers; family visitors vs. single visitors; and so on). This allows for differentiated prices offering the same product at different prices to different tourist.

Prices in tourism represent a very delicate and difficult subject if you think that a single service can have at least ten different prices in and out of tourism season. Only in an accommodation facility (in a hotel) the demand differential pricing can lead to the following rates and packages according to Wearne and Baker (2002): holiday packages, weekend rates, business rates, frequent-user rates, corporate rates, family rates, share room rates, convention rates and cooperative rates for wholesalers of tours, travel packages, and airline seats.

In particular for this industry, tourism services quality need to be considered in the light of price. Why? Because the tourists often accept that a better quality product will cost more.

The present paper is about researching Romanian tourists' opinion regarding 'prices in tourism' and offers practical solutions for improving the quality-price report for the Romanian tourism services.

2. Materials and Methods

The direct marketing research was undertaken at the Romanian International Tourism Fair, autumn edition, between 15 and 18th November 2012 using a questionnaire with closed questions for a sample of 290 respondents.

The Likert and the ranking scale were used in order to determine and interpret the research results, as marketing methods.

The respondents profile was as follows:

	%
Gender	
Male	40
Female	60
Age	
18-24 years	43
25-34 years	33
35-44 years	12
45-54 years	8
55-64 years	2
Over 65 years	2
Education	
Secondary	2
High school	47
Degree Bachelor	46
Degree Masters, Doctorate	5
Employment status	
Student	51
Employed	42
Unemployed	2
Self-employed	5
Retired	
Income per person per month	
Less than 1000 lei	40
1001 – 1500 lei	23
1501 – 2000 lei	15
2001 – 3000 lei	15
More than 3001 lei	7

3. Results

The first question from the research aimed to determine how often the respondents traveled for tourism purposes and the results are illustrated in table no.1.

Table no. 1 How often do you travel for tourism purposes?

	%
Once a year	28.97
Twice a year	31.38
Three times on year	21.03
More than three times on year	18.62

The respondents answers are in direct correlation with their income per person per month and strongly suggests the fact that Romanian tourists do not travel so much as they would like. The constraints are primarily form financial reasons, and second from time reasons.

The second question form the research was about Romanian tourists' opinion regarding the prices levels of the touristic products offered by the decision-makers from Romania. The results are presented in graph no.1.

Graph no.1 In your opinion the prices charged by Romanian tourism operators are?
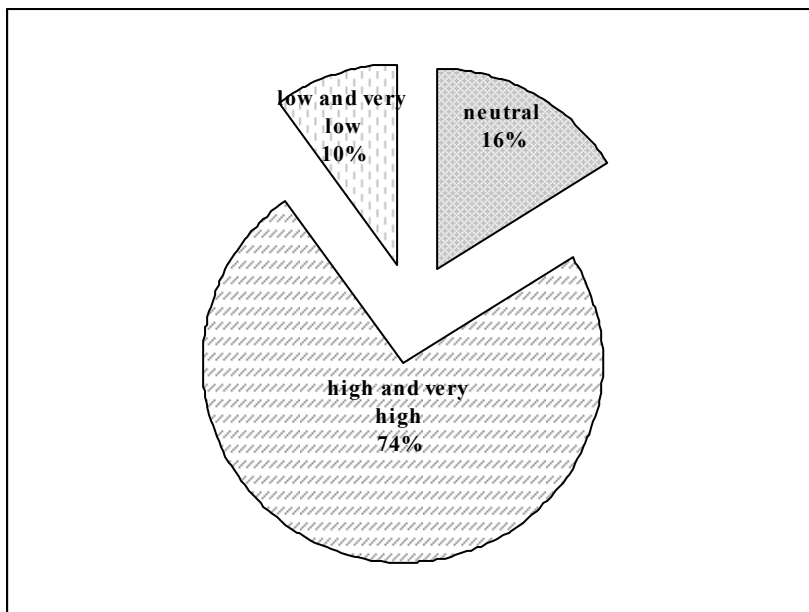
Analyzing the percentage values, the perception of the respondents regarding the prices of tourism operators seeks the following distribution: 74% of respondents

considered that they are high and very high and only 10% from the total respondents believed that they are low and very low. Those who did not express their opinion were 16%. The reasons for these answers are that the Romanian stakeholders pursue different and private interests for their business. The price-quality report for the Romanian tourist services is not adjusted properly in the benefit of the tourists. A short time strategy in tourism with high prices for the tourist services may affect the demand volume.

The third question from the research strengthens the research objective by asking the respondents to rank the importance of the following four characteristics of the touristic package: the price, the attractions, the staff behavior and the diversification. The results are presented in the table no.2.

Table no.2 In your opinion the most important feature of the tourist product is:

	Rank	Percentage
The price	I	37.24
The natural/ made attraction	II	36.21
The staff behavior	III	17.63
The diversification	IV	8.92

As it could be seen from the table no. 2 all the components of the touristic product are important for the customers, gaining high percentages from the total. But, for the Romanian tourists the most important feature is represented by the price of the product. First comes *the price* and after that all the other elements that constitute the package. The buying decision for the Romanian tourists is made according to the price for the tourist product.

Second comes the attractions, both natural and made at the tourism destination in the preferences of tourists. For others, this particular characteristic is situated first, but you need a tourism education and a different level of income to afford to think in such manner.

The third rank represents the staff behavior and sometimes the atmosphere and the hospitality can make a difference between a good or bad vacation.

'Selling holidays is like selling dreams' (Holloway, 2009) and this is true because the tourists are buying more than a simple collection of services. They are also buying the opportunity to sit on a sunny beach, the temporary use of a strange environment, plus the culture and heritage of the region and other intangible benefits such the local warmth.

The tourism services diversification is the forth characteristic ranked by the respondents when choosing a travel package. The ambiance and the facilities are important when tourists talk about good services at the holiday destination. Service is the memory taken away by satisfied customers, and the good memories are recommendations to other customers.

4. Discussion

After researching Romanian tourists' opinion regarding 'prices in tourism' we find out that the prices are high and very high related to service quality.

The reasons for these answers are that the Romanian stakeholders pursue different and private interests for their business. The price-quality report for the Romanian tourist services is not adjusted properly in the benefit of the tourists. A short time strategy in tourism with high prices for the tourist services may affect the demand volume.

The Romanian tourists are guide by *the price* of the tourist package. Second comes the natural and made attractions of the tourist destination, the staff behavior and the diversification and facilities of the tourist services.

The balance between price and quality largely determines the success of a tourism business. Because of that a proper long time strategy in pricing is needed for the Romanian tourism services. Only in this way the prices in tourism will be attractive for the Romanian tourists.

Another proposal for improving price quality report is the collaboration of all the actors involved in tourism industry: the state, the managers, the tourism business owners, the local community, the non-professional associations and the tourists.

Long time discounting for tourism services is not a solution because will affect decisions regarding product quality.

Differentiated prices can be a solution offering customers a choice of values. For example, a hotel with a luxury restaurant might also offer low priced dinner room. In this way, different customers can find their own price level.

Another solution is maintain a low or medium room price and recover profits from other products and services (the bar, the club, the spa, the business conference room, the swimming pool, the fitness club, the lounge, the room service, and other facilities). In this way early booking discounts or special promotions can be offered.

All these solutions are improving the quality-price report for the Romanian tourism services.

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EVOLUTION OF THE INNOVATIVE SERVICES AND THEIR ROLE IN ECONOMIC DEVELOPMENT OF ROMANIA

Rabontu Cecilia Irina, Assoc.prof.Ph.D, [1]
Constantin Brancusi University of Targu Jiu, Faculty of Economics and Business Administration
e-mail: **cecilia.rabontu@gmail.com**, tel: 0743423320

Balacescu Aniela, Lecturer Ph.D[2],
Constantin Brancusi University of Targu Jiu, Faculty of Economics and Business Administration
e-mail: **abalacescu@yahoo.com**, tel: 0723520175

Abstract

Innovative services refer to those categories of services, due to the scientific and technical progress, namely the new economy, information economy, representing a relatively new concept that we are trying to define by this work. It also raises the question: "To what extent innovative services help clarify the leadership of the tertiary sector in the Romanian economy?" And "how default tertiary sector contributes innovative services to growth?". In order to achieve a vision of innovative services and how they can revolutionize the entire tertiary sector of Romania, in search of an answer to the two questions we use several indicators to help us understand how they evolved and how they have contributed innovative services to growth more precisely: employees in research and development of the business environment, economic activities and by occupation, researchers from the research - development, by sector of performance, typology of innovators, the turnover of innovative enterprises, the activities and size of the trade in services, etc.. In this sense we will use statistics provided by the National Statistics Institute but also by other bodies which surveyed in this sense and of course bibliographical works which have debated this very interesting and current topic.

Jel code: F63, M21,

Keywords: innovative services, tertiary sector, Romanian economy

1. Introduction

It highlights, in some own approach of this period, that traditional production factors have been overthrown by two different factors, namely: material factor which includes parts of tangible capital and human factor aspects of pure energy and intellectual factors included innovation, information, knowledge, science, entrepreneurship. The fact that intellectual-intensive services (Jivan, 1998) have strong effects in some economies and

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[1] Targu Jiu, Gorj, Romania, street Olari, bl 12, sc 1, ap 3

[2] Gorj, Romania, Dragutesti

their development is very true, if we refer to the Japanese economy where research and education structure are the "place of honor".

Many authors concerned about the issue of services has reached the opinion that they have attained the maturity reported economic and technological landscape Alic, (1994); Amable and Palombarini (1998), Jeremy Howells (2000). A sustained growth enjoyed during this time intellectual services, in knowledge-intensive, and among these stands out the ones found in the literature as the intensive business Service in knowledge (KIBS), services which holding a role increasingly more important in the knowledge-based economy Miles (1993), OCDE (1996); Lamberton (1997); Alic (1997), Jeremy Howells (2000).

In present, the role of services based on Internet and those to be implemented with the help of leading-edge technology indicates that certain types of industries that use such services now have an active role on the market, in most cases becoming leaders in their field of activity. These service categories are associated with information and communication technologies (ICT) and they are linked to new forms of transactions based on e-commerce and the internet. These new ICT firms mediated by KIBS are now increasingly more considered very important in industry. Therefore, the service sector has changed through the emergence of new types of participants in the sector. These firms are making original, innovative activities and sometimes unique things which, in many cases, would not have been possible twenty years ago.

The services are still in the shadow of previous conceptual delimitations shadow, in the sense that in the tertiary sector the scientific and technical progress, entering with a rate much slower than in other sectors, aspects which have led to the constraint of their development (Petit, 1986). It speaks more and more about the intellectual property system in services field bringing to the forefront the protection of innovations based on services (Andersen and Howells, 1998).

2. Conceptualization of innovative services

The innovative services represent a new concept of services, significantly improved compared to the traditional concept of services, it is increasingly common in practice. Innovations in services have the potential to change profoundly innovative aspects in other sectors and to support the company's growth

The specialists in the field have identified three types of services which have the capacity of innovation, namely:

1. Networks, distribution and mediation services which link consumers, businesses and supply chains and help to improve the distribution of goods and information to the members of the society.

2. Utilities and infrastructure services, such as telecommunications, energy and waste disposal, services which offer greater added value for their customers.

3. Intensive business service in knowledge which to support customers, companies and workers for upgrading of technology used, organizational processes, and business models, as well as the transfer of knowledge and experience between sectors.

These innovative services are usually sophisticated from the technical point of view. They relate to users ' needs and cares of change and impact on the environment or society,

and aimed at finding solutions, which often appeal to technology, to be able to be resolved.

This correlation of users' requirements with sophisticated technology enables companies to fundamentally change processes, to design, develop and deliver goods and services to the client. They help transform market channels, business models, providing the clients modern payment systems, and in consequence, high quality service. They cause companies to interact and support innovative services, thus being able to help at generating and enhancing integrated innovation cycles in the economy.

The future economic prosperity will depend on passing over the constraints of society's productivity and innovation, aspects which concern in an attempt to generate added value and new archetypes currently, thus coming to support the economy and companies who carry out economic activity in the global market, thus that they become more competitive and innovative.

Successful services firms manage to remain competitive through innovation, because no the manner in which a service is designed and delivered has a impact on buying decision to the consumer, but also that innovative element retrieved from the respective service whereby it becomes vastly superior compared to the services offered by competing firms.

Innovation in services can be understood by the apparition of a new service, an international change in the offer of services, a service which provides a benefit to customers as well as a significant improvement in the profitability of the firm.

Services firms can innovate in three ways Dorothy I. Riddle (2008):

1. The changes to services directly, or for what is offered to clients. Innovative services are the ones that didn't exist before, or who have been redesigned substantially for to respond more effectively to the needs of our clients. These innovations are most evident to the customer.

2. The changes to the delivery of services, or developing service provision. Innovative service processes include new or improved production, as well as new methods of distribution, often linked to the integration of new information technologies in the process of distribution of services.

3. Changes in the organizational structure and management: organizational innovations include new or improved management techniques (for example, total quality management), revised organizational structure significantly, and implementation of corporate new or changed substantially strategies. These innovations are the least obvious for customer.

In modern society with which we face, innovation represents a complex and vital process, because as has been proven over time, through it can meet in a more individual requirements or larger communities. If we refer to the enterprises, it is necessary to maintain a permanent innovation process in order to be competitive on the market. "Modern management, under the globalization economy can ensure the success of a company's market, taking into account at least 5 major factors that allow capitalization of opportunities offered by the new economy, namely:"

• The passage from information to knowledge, as a natural evolution of information technology;

• The transition from the bureaucracy to networks through evolution, so that economic units to create and utilize effective strategic business network

• The passage from training to education-learning, continuous forms in real time.

• The passage from a local or national mission, at one transnational mission, to maintain a profitable growth through globalization

The services must be transformed when they disrupt traditional marketing channels, processes and business models, in order to improve customer satisfaction, significant so as to have a major impact on the economy as a whole.

There is a paradigm shift in terms of economy and value and business structures at worldwide. The role of services in modern business strategy is the determining one, because its offer a great deal of technical and social infrastructure of the economy.

The innovation consists in the successful exploitation of new ideas — this definition applies to all firms in the economy and it is equally relevant for innovations in the field of services.

While innovations in tangible products can be more easily recognized, probably because of their physical nature, there are many excellent examples of innovation in the field of services as follows:

a. In the case of the airport runway, the landing area, an important role has a classic service, which is intangible and developed jointly by users of air transport services, by transport service providers in close touch with the services of air traffic control. Despite the fact that the tracks of landing, from year to year, are increasingly congested major airports continues to increase the capacity of the landing. This was achieved through innovations such as improved efficiency in operations on the ground, a large portion of them being carried out without additional built tracks.

b. The financial services and they appear as a fine example of innovative services in the sense that many banks now offer a wide range of on-line services, facilitated by ICT, such as internet banking, ' '-which is a model of innovation introduced via the Internet. This innovative system allows customers to access accounts available anywhere in the world in front of an electronic device connected to the internet and also to achieve different function which until now was moving to the Bank's headquarters. This innovative service add value by reducing time and costs because a transaction on-line takes only a few minutes and costs are zero, more often than not giving it even discounts for payments made online.

c. In the field of sales there have been many innovations particularly in the retail trade and one of the most important being considered using barcodes. The introduction of barcode scanners linked to information and communication technologies have vastly improved retail sales.

3. The evolution of innovative services in Romania

Research and development services are the main support of the economic and social progress. These services comprise several components (Al Jivan) namely: basic research, applied research, experimental development. The specificity of research and development services is that offers novelty items compared to what is known at the time of their delivery.

The funds allocated for delivery of research and development services differ from country to country depending on the degree of development, in the developed economies making up well-represented in GDP, namely 2-3%. Most of these services are provided to the State.

As regards intensity of research and development activity, namely the share of expenditure for this activity in GDP, we can say that Romania is among the last places to this ranking with a share (although increasing the analysis period) of 0.54% of GDP, well below the intensity of the research-development in the EU recorded 1.8% of GDP. On the same level stands and countries such as Malta, Greece, Cyprus, Slovakia, Bulgaria. Over 1% of GDP expenditure on research and development are found in the Czech Republic, Luxembourg, Hungary, On top of that list are Finland, Sweden, Austria, France, Germany and Denmark.If we continue the analysis in terms of the proportions of expenditure on research- development in GDP in the new situation of higher education in Romania is one of the best falling to 0.13% compared to 0.41% in the EU27.

In order to achieve an image of innovative services as well as the way in which these revolutionizes the entire services sector of Romania and contribute to the economic development of our country we present few indicators that help us understand how it works in the context of economic mechanisms of so called „innovative services".

We consider it extremely necessary to see how to grow the number of employees from research and development activities in the business sector. (Table no 1)

From a brief analysis on the number of employees in the research or development activity in the field of business, we see an upward trend from 8271 thousand persons in 2010, at 10002 thousand persons in 2011. Analyzing attentively, we observe a fluctuation in connection with the number of employees, by registering it either increases or decreases in staff depending on the scope of work.

Thus, there are areas of activity such as agriculture, forestry and fisheries, where decrease is extremely steep decline from 1091 employees in 2010 at 143 employees in 2011. Also, in this trend fits extractive industry; processing industry of which stands out the manufacture of textiles; manufacture of basic pharmaceutical products and pharmaceutical preparations; manufacture of other non-metallic mineral products; production of cars, machinery and equipment, were recorded out of the number of employees in the field of research and development services. There are still areas in which it concentrates the entire labor force of research and development such as: manufacture of computers and electronic and optical products; food industry and last but not least, the services sector has registered an increase from 2354 thousand persons in 2010, at 6712 thousand persons in the year 2011, the year in that 3150 thousand persons representing the employees in the field of research and development.

So in this unfavorable economic context, in which we are still, services are proving a pretty solid, with a great capacity to generate jobs, and especially innovative services in the field of research, as it is well seen from the above table, this field of innovative services that almost half of the number of persons working in the field of services.

It is eloquent as we present and statistical data about employees in the field of research-development by sector of performance.(table no 2)

We observe from the data presented in the previous table that if in 2008 the evolution of employees in research and development activities has been an oscillating with declines in 2007 and a record number in 2008, in the period ahead is a sharp decrease in register, so that in 2010 we have had over 4,000 employees less. The role of research activities in achieving solutions for getting out of the crisis is found in increasing substantially in 2011.

We also see that in 2011 there is a change in the proportion of employees in total, in the sense that if researchers have registered declines, technicians and other categories of employees with specific research activities have increased significantly. It is noticed that most employees are in the Government sector, followed by the business sector and academic field. Evolution is similar to the existing overall employees in the research and development sector. In 2011 the share of total employees in research and development in Romania is as follows:
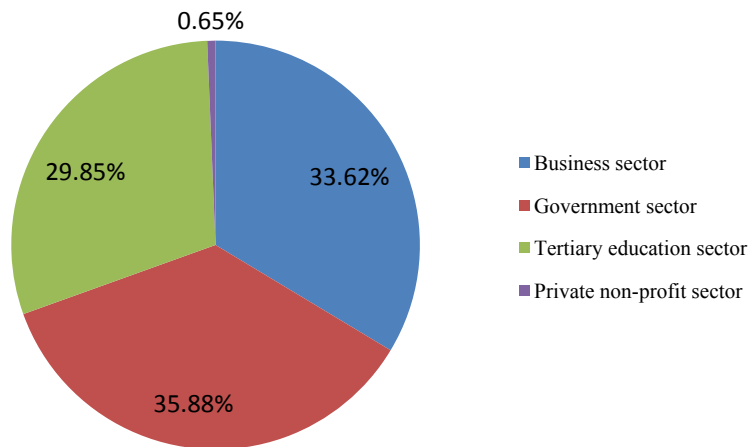
Figure 1The share of sectors in total employees in R & D in 2011

In table no. 3, we see that innovative enterprises in Romania have evolved positively during the period 2002-2008 after which register a fall with 1870 of innovative enterprises, decrease sustained by the industry which has registered a downward evolution as a whole. In the field of services, innovative enterprises are fewer, but the decrease is more moderate.

Innovative enterprises in services had a sustained evolution in the sense that from 2002 when only 1076 tertiary sector enterprises used results of research development in 2008, these companies are almost 4 times more which enables us to say that technical progress becomes accessible and this particular area. According to the typology of enterprises we present forwards the typology of innovators in 2010 by the main activities.(table no 4)

We see that the share of innovative enterprises in the whole enterprise is 30.8%, the most numerous being those who use non-technological innovation. Most large share have

large enterprises (56,4%), aspect found and by activity. Regarding tertiary sector, we observe that a total of 11588 enterprises, 3677 are considered innovative enterprises, i.e. 31,7%% a higher share than in the case of industrial activities. And here's the most innovative enterprises employ non-technological innovation specifically 2295 enterprises.
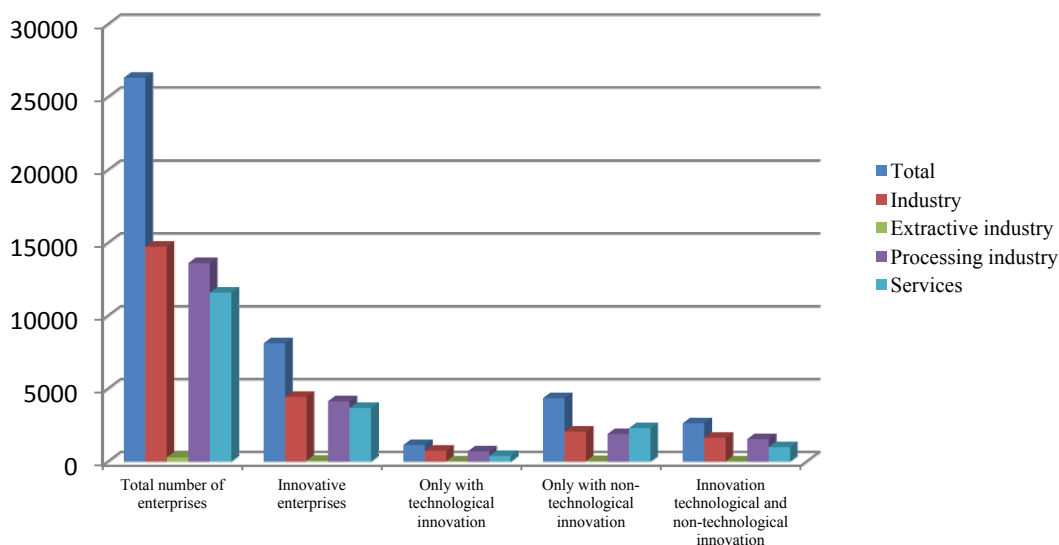
Figure no. 2 Innovative enterprises by the main activities of the economy in 2010

For an eloquence image of the innovative services in Romania, we present and turnover both in services and in other areas of activity in order to make a comparison (table no 5)

We observe that the overall turnover, the largest share hold innovative enterprises with 58.5%. In the industry, this share is increased 63.4%, namely, excelling in the extractive industry. In the services sector, the turnover achieved in innovative enterprises holds 53% of the total turnover, percentage held by large enterprises which have a share of 75% and less than small ones with a share of 32%.

Conclusions

The first conclusion we can extract is that the services field lately we are witnessing an acceleration of scientific and technical progress of the intervention, this is the least accessible sector for new discoveries. Internet and computer services have contributed to the sustained development of new types of services, the so-called innovative services. Successful services firms manage to remain competitive through innovation, because no the manner in which a service is designed and delivered has a impact on buying decision to the consumer, but also that innovative element retrieved from the respective service whereby it becomes vastly superior compared to the services offered by competing firms.

In what concerning the statistical data presented, we have reached the following conclusions:

- in this unfavorable economic context, in which we are still, services are proving a pretty solid, with a great capacity to generate jobs, and especially innovative services in the field of research, as it is well seen from the above table, this field of innovative services that almost half of the number of persons working in the tertiary sector

- innovative enterprises in Romania have evolved positively during the period 2002-2008, after which there is a decrease of innovative enterprises in the field of services but decreased is more moderate than in the case of other business areas

- The innovative enterprises in services had a sustained evolution in the sense that from 2002 when only 1076 enterprises from tertiary sector used development research results, in 2008 these companies are almost 4 times more which enables us to say that technical progress becomes accessible and this particular area.

- We observe that a total of 11588 enterprises from tertiary sector, 3677 are considered innovative enterprises, i.e. 31, 7% a higher share than in the case of industrial activities. And here's the most innovative enterprises employ non-technological innovation specifically 2295 enterprises.

- The turnover achieved in innovative enterprises holds 53% of the total turnover, percentage held by large enterprises which have a share of 75% and less than small ones with a share of 32%.

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Employees from research-development activity from the sector of the business environment, by economic activities

1. **Table no.1**

CAEN Rev. 2			Researchers		Technicians and assimilated		Other categories of employees	
	2010	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**
Business sector – total from which on the activities	8271	10002	5853	3518	1022	2396	1396	4088
Agriculture, forestry and fisheries	1091	143	351	18	188	10	552	115
Extractive industry	18	-	14	-	4	-	-	-
Processing industry	4170	2879	2907	1168	583	798	680	913
Production and supply of electricity and heat, gas, steam and air conditioning	502	142	373	95	83	32	46	15
Water supply; sanitation, waste management, decontamination activities	11	38	11	6	-	29	-	3
Construction	125	88	111	12	11	59	3	17
Services	**2354**	**6712**	**2086**	**2219**	**153**	**1468**	**115**	**3025**
of which: research and development	**869**	**3150**	**721**	**1318**	**84**	**615**	**64**	**1217**

Source: National Institute of Statistics, Statistical Yearbook, 2012

Employees from research-development activity, by sector of performance and occupation

Table no. 2

	2006	2007	2008	2009	2010	2011
Employees – total	**29340**	**28977**	**30390**	**28398**	**26171**	**29749**
Researchers	19021	18808	19394	19271	19780	16080
Technicians and assimilated	4496	4361	4620	3991	3139	5132
Other categories of employees	5823	5808	6376	5136	3252	8537
Business sector	**13761**	**13107**	**11525**	**10758**	**8271**	**10002**
Researchers	7708	7754	6309	6127	5853	3518
Technicians and assimilated	2289	2202	2100	1491	1022	2396
Other categories of employees	3764	3151	3116	3140	1396	4088
Government sector	**8381**	**8786**	**10312**	**8708**	**8704**	**10675**
Researchers	5585	5818	6169	5744	5590	5846
Technicians and assimilated	1703	1754	2026	1670	1659	1900
Other categories of employees	1093	1214	2117	1294	1455	2929
Tertiary education sector	**7101**	**6931**	**8433**	**8824**	**9054**	**8879**
Researchers	5652	5104	6839	7310	8245	6563
Technicians and assimilated	493	392	476	827	414	834
Other categories of employees	956	1435	1118	687	395	1482
Private non-profit sector	**97**	**153**	**120**	**108**	**142**	**193**
Researchers	76	132	77	90	92	153
Technicians and assimilated	11	13	18	3	44	2
Other categories of employees	10	8	25	15	6	38

Source: National Institute of Statistics, Statistical Yearbook, 2012

Innovative enterprises (product, process, organizational, abandoned, unfinished, marketing) by activity
    Table no 3

Activities	Years				
	2002	2004	2006	2008	2010
	UM: Number				
Total	3983	5171	6013	9986	8116
Industry	2907	3489	3789	6003	4439
Extractive industry	23	33	44	81	61
Processing industry	2832	3402	3675	5698	4143
Thermal and electrical energy, gas and water	52	54	70	:	:
Production and supply of electric power and heat, gas, hot water and air conditioning	:	:	:	58	71
Water distribution, sanitation, waste administration, decontamination activities	:	:	:	166	164
Services	1076	1682	2224	3983	3677

Source: National Institute of Statistics, Statistical Yearbook, 2011

Typology of innovators in 2010 on the types of enterprises
Table no 4

	Total number of enterprises	Innovative enterprises	The share of innovative enterprises with total enterprises	Only with technological innovation	Only with non-technological innovation	Innovation technological and non-technological innovation
Total	**26330**	**8116**	**30,8**	**1137**	**4353**	**2626**
Small Enterprises	20379	5613	27,5	805	3227	1581
Medium-Sized Enterprises	4836	1874	38,8	241	938	695
Large Enterprises	1115	629	56,4	91	188	350
Industry	**14742**	**4439**	**30,1**	**747**	**2058**	**1634**
Small Enterprises	10637	2769	26,0	516	1392	861
Medium-Sized Enterprises	3246	1182	36,4	153	543	486

Large Enterprises	859	488	56,8	78	123	287
Extractive industry	**283**	**61**	**21,6**	**17**	**32**	**12**
Processing industry	**13620**	**4143**	**30,4**	**704**	**1895**	**1544**
Small Enterprises	9913	2632	26,6	489	1298	845
Medium-Sized Enterprises	2983	1092	36,6	144	498	450
Large Enterprises	724	419	57,9	71	99	249
Water supply, sanitation	**646**	**164**	**25,4**	**21**	**90**	**53**
Production and supply of electric power and thermal	**193**	**71**	**36,8**	**5**	**41**	**25**
Services	**11588**	**3677**	**31,7**	**390**	**2295**	**992**
Small Enterprises	9742	2844	29,2	289	1835	720
Medium-Sized Enterprises	1590	692	43,5	88	395	209
Large Enterprises	256	141	55,1	13	65	63

[1] Enterprises with more than 9 employees in the fields of industry (CAEN Rev. 2 sections B, C, D, E) and services (CAEN Rev. 2 sections: H and K and divisions, 46, 58, 61, 62, 63 and 71).

The turnover of innovative enterprises, by activities and size classes in 2010
Table no. 5

	Turnover for all enterprises (thousand lei in current prices)	Turnover of innovative enterprises (thousands lei current prices	In% from total
Total	580659532	339489595	58,5
Small Enterprises	108080006	35314050	32,7
Medium-Sized Enterprises	148342548	65432493	44,1
Large Enterprises	324236978	238743052	73,6
Industry	**304241045**	**193010915**	**63,4**
Small Enterprises	33607524	11132830	33,1
Medium-Sized Enterprises	63098827	30622818	48,5
Large Enterprises	207534694	151255267	72,9
Extractive industry	**24407495**	**18335839**	**75,1**
Processing industry	**220195545**	**139952052**	**63,6**
Small Enterprises	25738870	8549005	33,2
Medium-Sized Enterprises	51822513	24830110	47,9
Large Enterprises	142634162	106572937	74,7
Production and supply of electric power and thermal	**30138209**	**46552319**	**64,7**
Water distribution and sanitation	**13085686**	**4584815**	**35,0**
Services	**276418487**	**146478680**	**53,0**
Small Enterprises	74472482	24181220	32,5
Medium-Sized Enterprises	85243721	34809675	40,8
Large Enterprises	116702284	87487785	75,0

Source: National Institute of Statistics, Statistical Yearbook, 2012

FINANCIAL MARKETING CHALLENGES FOR THE ROMANIAN MARKET

Oana PREDA
Romanian American University from Bucharest

Abstract

The reason I choose to analyze this issue is the fact that the proper functioning of the market economy is based on a solid and profitable banking financial system.

The experience of the last 20 years in corroboration with the global financial crisis shows that banks in our country must face the challenges coming from both the international market and especially the national market. In this context, it becomes increasingly clear that to obtain a good market positioning (which will automatically lead to increased turnover and hence profitability) is needed in more than one marketing innovative, appropriate to market conditions. Traditional marketing seems to be overtaken by technological development, which is why we need a revival of the marketing system. The contribution of marketing department is vital to the success of the bank

Key words: banking system, financial marketing

1. INTRODUCTION

Banking marketing represents the research, knowledge and satisfaction of the clients, their orientation towards the needs of the institution's activity being found both in the advertising and publicity, as well as the banking and financial innovation, the distribution of banking products and services, the offer supply itself, a proper need of the market and offer a price advantage for both the bank and the customer.

According to Barry Hayne, "banking marketing lead management processes to meet the financial needs of customers in a profitable manner for the bank".[Haynes B.P (2008)]

It distinguishes itself through the unique relationship that exists between the customer and the bank: if in most areas, the obligations are usually in one way: supplier-buyer in banking and financial services sector, both customers and bank-related mutual obligations incumbent their use.

Financial-banking marketing includes actions taken by banks to meet the needs and demands of its customers. It represents an offshoot of general marketing because, although the goals are the same the methods of approach are different: food marketing and banking products are inconceivable in the same way as consumer behaviour towards these products is different. Although it is often seen as a component of marketing services, marketing banking is often seen as a "hybrid", category, which borrows elements from both marketing services, due to the particular characteristics that differentiate services

from financial-banking products, and marketing of goods, through the private specific appropriate product- money.[Zollinger M. (1985)]

The specificity of marketing banking in relation to the marketing of services is the lack of perfect coincidence between these two forms of marketing, drawing attention to the diversity that characterizes marketing services. There should be considered three key issues, namely:

• *Marketing concept*, common to goods and services, whose cornerstone is the market orientation and performance of all company shares a set of specific activities. [Florescu C.(1997)]

• *Financial and banking activities* that the content and features are part of the broader scope of services being grouped into a distinct sector of the national economy, namely the tertiary. [Balaure V. (coord.) (2000)]

• *Banking and financial services*, which involve a number of features that differ fundamentally from other types of services.

The implementation of the marketing concept in the banking financial institutions, requires consideration of the following items.[Odobescu E. (2003)]:

• *Satisfying customers desires*. It is central to the concept of marketing, without the bank's financial objectives could not be fulfilled.

• *Profitability*. Customer satisfaction can not be achieved at any costs; there must be a balance between the degree of fulfillment of her clients and gain realized from the effort.

• *Retention of employees*. All employees should understand the importance of marketing and work in the spirit of the marketing concept. This can be done by meeting the needs of employees; they must be aware of the importance of cost control and revenue maximization.

• *Social responsibility*. The bank must be aware of, and sensitive to the community and the environment in which it works. Banking institution has an extremely important role in society and, therefore, should have a responsible behavior.

Over time, the structure of bank financial operations has changed considerably, and the attitude of the banks in terms of marketing has evolved slowly but surely and has passed five phases.[Ionescu L. (2002)]

a. *Marketing means advertising, sales promotion and advertising*. Marketing has penetrated into the bank in the form of advertising as advertising and promotion as attracting savings from households become competitive

b. *Marketing means smile and open atmosphere*. The banks understand gradually that is easy to get people to turn to the bank, but it is difficult to determine the customers to be loyal. Financial marketing in the banking area aims to create relationships with the mobilization and use of financial resources in the economy. Some of these relationships find their reflection in the State budget and extra-budgetary funds in certain government public finances, and forming other unfolds through some economic agents specializing in commercial, financial and banking services. Thus, banks have started to fit out offices with warm and friendly, but over time this has ceased to be the deciding factor for customers

c. *Marketing is segmentation and enrich*. Banks have discovered the need for careful segmentation and segment-specific services, but they are easy to copy, which has forced banks to adopt a policy of steady selling of the offered services.

d. *Marketing is positioning on the market.* Banks need to consider the possibilities and to choose a specific position on the market, in order to distinguish itself from the competition

e. *Marketing means analysis, planning and control.* Develop the effective systems of analysis, planning, implementation and control of marketing activities, using the potential of the markets.

Starting from the issues mentioned above, it can be affirmed that the specificity of the financial and banking institutions print a number of peculiarities of the activity of marketing and provides additional clarification of those factors also essential that influence, strategic and operational relationships with the different categories of clients. Development and implementation of a policy geared towards marketing, banking institution, must be based on the study, identifying and meeting the needs of consumers, in a manner profitable for the bank, the anticipation and adequate reaction to changes in the market.

2. GENERAL FINANCIAL AND SAVING BEHAVIOR OF ROMANIANS

The decision to save in a bank deposit or to open a current account or to contract a loan or personal loan for purchasimg a car, or for purchasing or building a house through a mortgage/real estate involves a number of factors that you must take into account. Few are those who thoroughly analyze the offerings of banks, making a professional appraisal and choosing accordingly.

As a result of a study undertaken by the Romanian Institute for Evaluation and Strategy (RIES) in 2012 it was found that 28% of respondents in urban areas would save, while most of them-32%-would invest into a business.

One of five respondents declared that they would give to someone else, just 20% stating that they would spend. 8 percent would invest in shares or would submit to an investment fund. If you need to save a large sum of money, the majority of the respondents would make it to a bank – 55%, 20% would buy shares or have submitted to an investment fund, while 17% would buy the currency. 7% would not take the risk of losing them, preferring to "keep in the mattress". More than 50% of respondents declared that they use products of any kind. One of 10 people in the urban area of banking services said they plan to take a loan from the bank in the near future.

Of these, 32% need of a sum of money for the renovation of the house, 29% for purchasing a house, 13% for purchasing of household goods and 8% for buying a car. Furthermore, 6% would invest in a business, 5% would pay off a loan, 5% would buy land and 4% would purchase furniture.[http://media.hotnews.ro/ accesat la 01.09.2013]

Lending should be advantageous for the bank, because through the expansion and diversification of the credit portfolio, can obtain extra profit, and that on account of credits can develop businesses, to obtain profit and, on this basis, to repay loans and to pay interest. [Nedelescu M., Stănescu C. (2008)].

The most important criteria Romanians when they decide take into consideration when deciding for a loan is: the interest rate (64%), swiftness of credit (41%) and

the maximum amount one can borrow in relation to the income, being relevant for 29% of them.
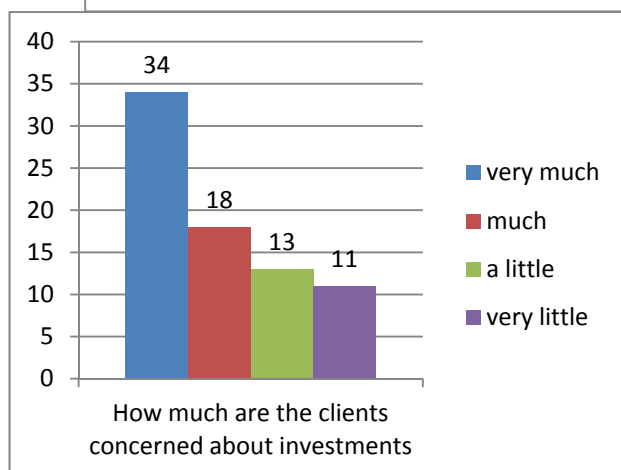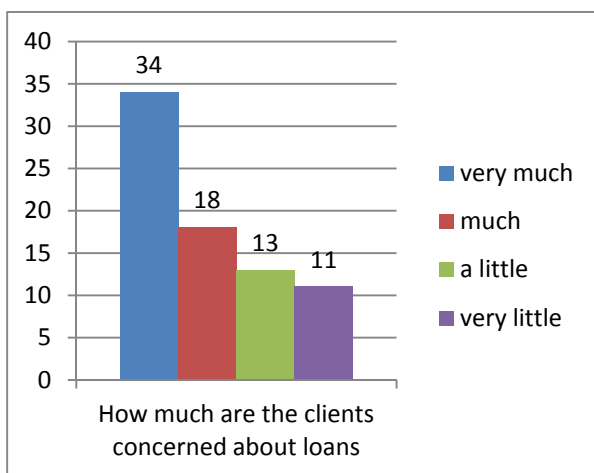
Fig.1. How much are the clients concerned about loans Fig.2. How much are the clients concerned about investments
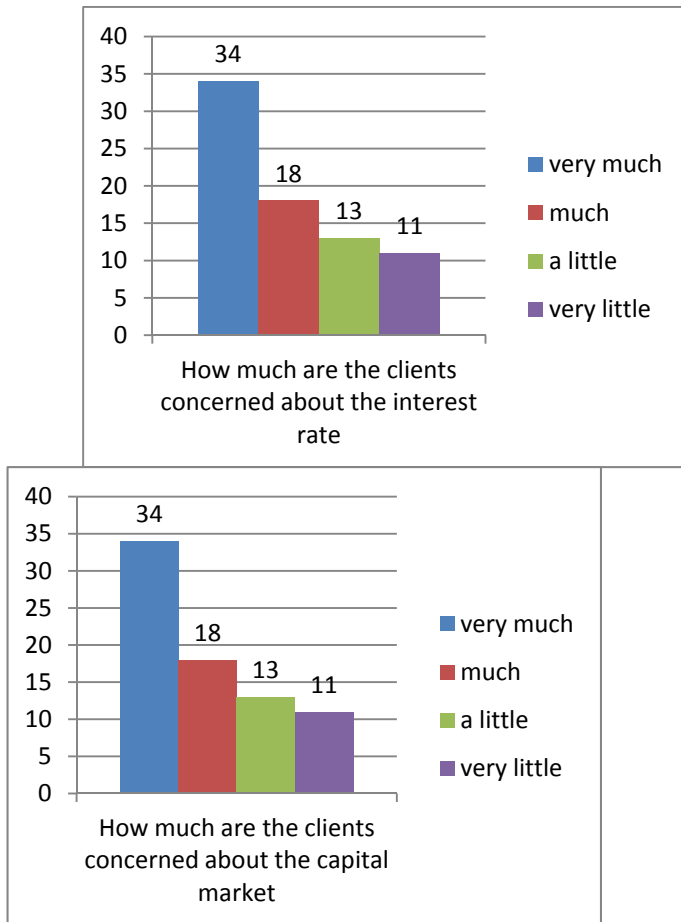
Fig.3. How much are the clients concerned about the Fig.4. How much are the clients concerned about the capital market interest rate

According to a study aplied in 2012 in the Romanian Banking system, for Romanian banks is important [Catoiu I. (Supliment nr.3/2012)] : brand perception (bank and products), brand attitude (bank and products), buying motives, product satisfaction, buying behaviour, buying intentions, segmentation studies, target markets, brand positioning, fidelity tactics and consumer reactions.

3. GENERAL PERCEPTIONS ABOUT THE BANKING SYSTEM IN ROMANIA AND CONSUMER ATTITUDES

Romania's banking system is a system structured on two levels, including the National Bank and credit institutions. This system was introduced in December 1990 as the first step of the banking reform.

At the end of 2011, in Romania operated 41 credit institutions. According to the report published by the National Bank of Romania, the structure of the banking system was as follows:[http://www.arb.ro accesat la 29.08.2013]

- 2 banks state owned, 4 major private banks , 26 major foreign-owned banks, 8 branches of foreign banks and a network of cooperative property;
- 54, 6% of banking assets are concentrated in the top 5 banks in the system;
- Market share of credit institutions with major foreign capital is 83%;
- Market share of credit institutions with private Romanian capital is 8.8% (including cooperative property network);
- Market share of credit institutions with state-controlled capital is 8.2%.

Romanian banking market has grown tremendously over the years, and as the evidence of this, is the presence of an impressive number of banks offering varied services. The most important services offered by banks in Romania are: opening bank accounts, credit facilities (loans), services relating to the transfer of funds.

These types of services are accompanied by a wide variety of other services such as currency exchange, payment of fines, fees and duty of deposits, Overnight deposits, executor, safes, deposit boxes, travel insurance, traveler's cheques, eurocheques, etc. are also used in the Romanian banking system.

Currently, the domestic financial system is subject to the pressures of the international financial crisis, but the risks are controllable, because financial institutions in Romania do not have exposures on assets with high degree of risk that have destabilized the international financial system.

The financial crisis that we are experiencing today is one of the reasons for this state of fact. In order to maintain some financial institutions, the governments had to inject capital, so these institutions became state-owned [Ionescu A. (IECS 2012)].

At the onset of the crisis, the Romanian economy had already traveled over a period of several years of high growth, but accompanied by the accumulation of a relatively important external deficit and the rise of short-term foreign debt.

The banking sector, with its dominant position in the financial system has withstood these pressures well. Financial stability was put to the test due to a new vulnerability to the volatility of external financing. The deterioration of the external economic climate has had adverse consequences on the quality of the credit portfolio; credit risk and liquidity risk remains a major vulnerability of the banking sector. This has become more visible since the last period of 2008, falling by a further deterioration of the quality of the credit portfolio, generated mainly by slowing economic activity and the depreciation of the national currency rate.[http://www.editurauniversitara.ro/carte/finante_banci-6 accesat la 02.09.2013]

As the instability has become the dominant feature of the environment in which they operate, these banking institutions werein the situation of facing up to new challenges and to deal with major risks. All these operating conditions have led to increased competition in the financial sector and increased banks' vulnerability to adverse shocks. It is necessary to identify risks and vulnerabilities in the financial system as a whole and its components, because financial stability is a preventive monitoring. The emergence and development of malfunctions, incorrect assessment of risks and the inefficiency of capital allocation, can affect the stability of the financial system and economic stability.

Although the vast majority of banks reported high levels of outstanding credits or doubtful, the overall quality of these portfolios is favorable in the European context, coverage with provision of loans in Romania being higher than reported by many other

countries in Europe, due to the fact that the situation of the Romanian banks have held the portfolio of toxic assets.

The banking sector continued to record indicators of financial health in the positive range, being well capitalized and having appreciable financial results.

The efficiency of the banking system is directly linked to increased business volumes and cohesive, based in our country mainly on the attractiveness of the products in terms of cost and less based on the conquest of new segments of the market. Hence the need to rethink and reorganization of marketing activities at the level of banking institutions, with the aim of winning new market segments.

The ongoing global crisis leads to reduced economic activity so that domestic macroeconomic developments have a major effect on the health of the financial system.

Major current trend, particularly in the field of banking is moving towards the cyber-space, using the Internet for banking services to be delivered to customers as soon as possible, where and when they want.

The major electronic services offered to customers are Telephone Banking and Internet Banking. A bank should be as accessible to its customers. For this reason most banks decide to operate through several small offices but to maximize the geographic divisions.

Bank branches are found mainly in the municipalities, agencies and specialized agencies and they start to expand as much as moving from urban to rural areas, but the most popular are ATMs as they offer a set of banking services and can be placed anywhere: in shops, hospitals, universities, airports and various other buildings.

As a result of a survey carried out among consumers in Romania's coalition Government a series of information are summarized in Fig.5."The level of trust in the banking system".

The vast majority of Romanians using products hold a current account (including salary card), over one-third own a credit card, while 16% have taken credit for hthe personal needs.
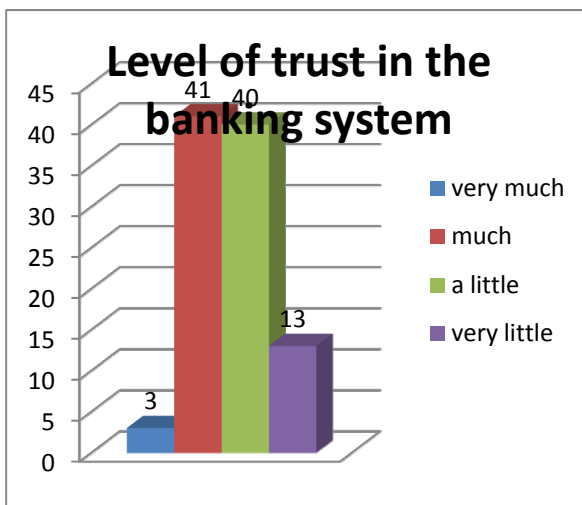
Fig.5.The level of trust in the banking system

One-third of respondents are using the machine weekly, one fifth, while another one-third use the ATM once a month. The rest of the respondents use it less often (6%) or at all (15%).

51% of Romanians do not use the card to pay before shopping, and 33% use it occasionally; 15% use most often, and 5% said they use it every time.

The study found that the the choice for one specific bank is determined by perceptual factors such as: confidence, kindness, etc., and in a lower proportion of the bank's offer. The most important criteria in choosing a bank is the trust that the bank inspire.

The kindness and availability of the bank's staff is the following criteria, being more important than the level of charges applied to the offered services. Other important criteria are: the facilities offered by the bank to loyal customers, distance from home and the range of services offered. Personal experience with the bank is truly important, while one's recommendation or advertising are less relevant criteria.

The main reasons for dissatisfaction are: high interest, the fees charged, attitude or behavior, time to perform the procedures, schedules, lack of transparency, changes not provided in the contract, interest on the deposit, small crowds and waiting time, inaccessibility or incorrectness of information received, and the range of services too low, low number of branches, ATM's or the non-powered and lack of flexibility.

The headquarters staff and timeliness in resolving clients' requests, the existence of services to suit best and advice in the choice of the optimal service offered by bank staff have an important impact on increasing customers' satisfaction. Attributes related to tariffs (fees and interest) are elementary conditions in choosing a bank, thus having a high potential in increasing customer satisfaction.

4. THE NOTORIETY OF BANKS IN ROMANIA

Brand awareness is the main advantage of a bank. Its history and the trust that has developed in the population are elements that contribute like a magnet to attract potential customers. The fact that the bank enjoys a good image weighs enormously in evaluating and contracting a product decision. There are situations when people refuse to access a product – even though it has the best conditions – due to the fact that the bidder bank is not trusted or its name is not "enhance" ... don't say anything.

The most powerfull banks (based on the market share) on the Romanian financial market are shown in Table 1 below.

Table 1. The most powerfull banks in the Romanian banking system (2012)

No.	Bank	Market share %
1	BCR	20
2	BRD	13

3	CEC Bank	7,85
4	Banca Transilvania	7,8
5	Raiffeisen Bank	6,8

Source: [http://www.zf.ro/banci-si-asigurari/ accesat la 02.09.2013]

In 2012, the CEC had the third place in the ranking of banks after the first six months, with a market share of 7,84%, given that many years before the crisis has gravitated around ranking 8 or 9, being brought forward by many of the subsidiaries of foreign banks. CEC managed assets of 29 billion lei (6.4 billion euros) at the end of June. At the end of the last year, the third in ranking was Banca Transilvania.

Some of the big banks that lost the most of their market share during the crisis are Volksbank, Alpha and Bancpost, while others have maintained the market share or increased it marginally.

During the crisis the banks have gone from an aggressive strategy of selling loans to a more cautious approach, and many of them have reduced the level of financing.

Furthermore, some subsidiaries of foreign banks have started to reduce their exposure in the local market in the last period when they have remained without the support of parent banks, which left more room for players such as CEC.[http://www.zf.ro/banci-si-asigurari/ accesat la 02.09.2013]

Among the banks present in Romania, BCR enjoys the highest reputation - 34% as shown in Figure 6.
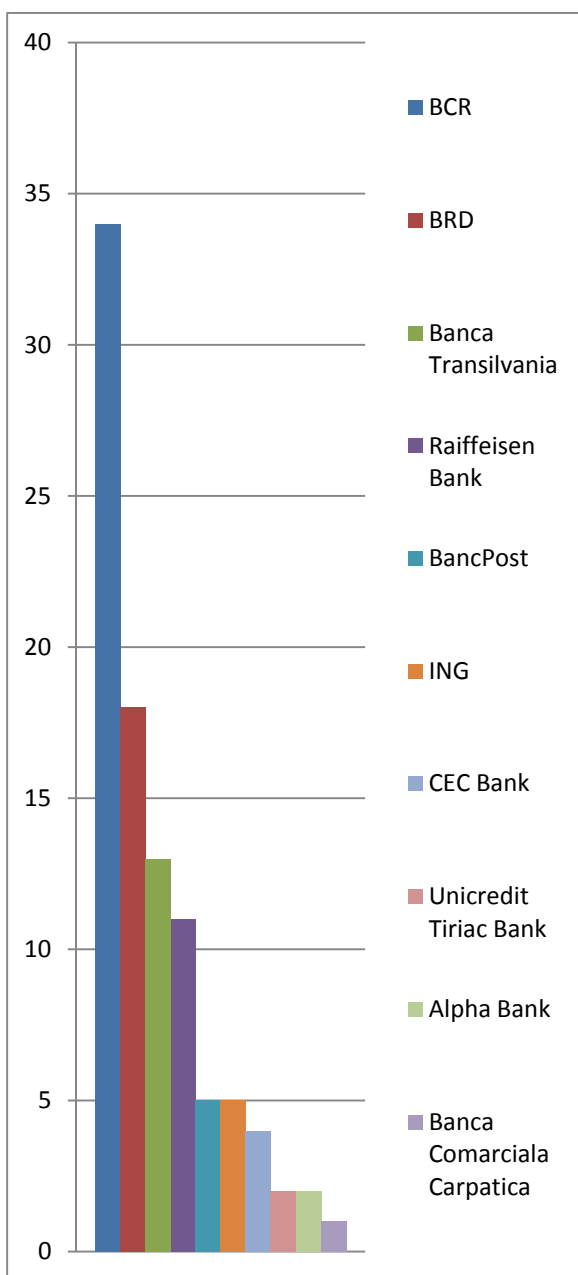
Fig.6. Top of mind in the Romanian banking system

This is followed by BRD mentioned by 18% of respondents, Banca Transilvania - 13%, Raiffeisen Bank - 11%, Bancpost - 5% and ING - 5%.

The rest of the banks were mentioned by less than 5% of respondents.[http://www.wall-street.ro/top/Finante-Banci accesat la 03.09.2013]

Along with the good image the bank enjoyed, another decisive factor in attracting customers is the flexibility of the institution.

Understanding every special circumstances, differential treatment based on each customer's profile, eligibility phones are evidence of the flexibility of a bank.

The potential customer enters a bank through the advisors of the institution. Communication and partnership relationship between customer and bank is done through this interface. It is not enough for the bank to enjoy notoriety. It is more than necessary for the bank employees to live up to it. Human relations contribute decisively to making a clear decision. Professionalism of the counselor given by kindness, openness and promptness is a boon to any bank eager to attract more customers. There are cases when a potential customer gives up buying a product due to a strained relationship with the bank representative or ambiguous presentation.

Bank advisor should be prepared to put in the best possible light product benefits and answer any questions received from potential customers. Haste and especially surface treatment or arrogant are elements that give a bad grade to any bank representative.

No matter how much notoriety a bank enjoys, how attractive are its conditions, how professional is the credit counselor, a high price of the product will help deter any further purchase of the client. A high cost must bring more advantages for the related products, or the potential buyer will not be interested.

A further advantage is represented by a diversified product portfolio and complete next to a developed territorial network and continuously promoting of the bank. Branch network consists of strategically placed branch agencies and ensures the necessary visibility for the bank.

7. CONCLUSIONS

The success of the specialist marketing starts from the knowledge of the product/service offered, financial Bank continues with their in-depth understanding of the attitudes and behaviors of consumers financial banking products and ending with artistic creation, comic or didactic, advertising.

The decision of saving in a bank deposit it is, to open a current account or to contract a loan or personal loan or for purchase of a car, or to purchase or build a home through a mortgage/real estate involves a number of factors that you must take into account. Few are those who thoroughly analyze the offerings of banks, making a professional appraisal and choosing accordingly.

Most are subject to an impulse of the moment, guided by their own preferences or by counsel relatives. And advertising plays an important role and there are people who prefer to listen to the guidance of an advertising spot.

What does it matter? It must be said at the outset that in choosing a Bank or a specific product is not taken into account only its price. It is important that the relation between the Bank and the client, the professionalism of its members, services, reputation, attached to the confidence and the flexibility of the Bank etc.

The relation that is created between the Bank and the customer is very important, the professionalism of its members, services, reputation, attached to the confidence and the flexibility of the Bank etc.

The headquarters staff, ambiance and timeliness in resolving clients ' requests, the existence of services to suits to the client and advising in choosing of the optimal service

offered by Bank staff also have an important impact on increasing customers ' satisfaction. And attributes related to tariffs (fees and interest) are elementary conditions in choosing a Bank, thus having a high potential in increasing customer satisfaction.

Medium and short term, financial banking companies will have to face new challenges, which will bring new trends in their operation.

Repositioning, refocusing the target segments of "the niche" appears to be the first viable for the continuation of trend in this sector.

Increasing competition for attracting and retaining customers ' good ' it will materialize in the lending sector by providing refinancing of loans and mortgages, as well as in terms of lending growth since it is closely related to the banks ' ability to generate deposits.

Increase the penetration level achieved in cards whereas our country is still low compared to the level achieved in the European Union. This aim can be achieved through the development of the portfolio of products and stepping up marketing campaigns for the cards.

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GRAHAM SWIFT'S LAST ORDERS – OF VARIOUS JOURNEYS

Alexandra Roxana Mărginean, PhD.
Teaching assistant, Romanian-American University

Abstract

The title of the paper is given by the title of Graham Swift's novel, followed by a comment pinpointing the most prominent aspect in it, which is analyzed from the perspective of cultural studies. We deal with the manifold material or symbolical journeys accomplished or attempted by Swift's characters. Considerations on stability and nomadic tendencies try to explain behavior attributing certain attitudes to characters in connection with the generation they are part of. The space of the car plays an important part in the definition of individual identity, and we try to observe which drives of one's personality it can fulfill. Starting from the physical expedition endeavored by Jack's friends, the paper touches upon the subtle ones (of, for instance, life towards death), to the purpose of seeing how they contribute to the construction of identity for the fictional characters involved, and, why not, for the real people and their own travels of all kinds, which they mirror.

Keywords: journey, identity, stability

Starting point – death

In *Last Orders*, the main motif, of the journey, is the framework for a discussion on identity. Since travel is occasioned by the decease of a character, death becomes a second key factor in this frame. As death triggers the writing of the story, we must examine its influence on identity.

Death is ambivalently a provider and a dispeller of communality. Death as a phenomenon is paradoxical, and so is the way people relate to it. Probably the most powerful reminder of one's solitude in the world, it brings people together, because, although everyone dies alone, all people are ultimately subject to the same fate. This makes death their one definite point in common. The paradox goes further, as death is the only known, and at the same time unknown event. It is a biological certainty, but as an experience it remains a mystery. The fear triggered by this aspect requires exorcism, which happens, again, through communality. In a world in which all the motivations to establish ties with the others become questionable, death offers the ultimate one.

This phenomenon effaces identity, but also constructs it. First, it creates the identity of the undertaker (Vic, as previously discussed). Then, it allows multiple identity construction in its theatrical nature. The dead person has a personal show, in two senses. Literally, the remains are displayed in a coffin, in the centre of the gathering. Figuratively, the departed dominates a ceremony, gaining a type of visibility that (s)he may not have had in life. Sometimes (s)he also receives a description, in speeches made by the acquaintances and the priest, which are a popularization of the person (s)he once was. This identity

creation is conditioned by the end of existence. The creation of Jack Dodds as a character, as well as the others', is occasioned by his death. On the one hand, the grandeur of funerals generally depends on how high the social rank of the deceased was. On the other hand, since all mankind is bound to reiterate the same experience, death is also equalitarian and democratic (its complex ambivalence being manifest in this aspect): "But the dead are the dead, I've watched them, they're equal. […] It's what makes all men equal forever and always." (Swift 1997 143) Other identities are created as well. The participants in the funeral build their social selves as: grievers for the loss, loving (Ray), self-centered (Vince, Lenny), strong (Vic, Amy), weak, careless, practical-minded (Bernie) etc. In *Last Orders*, this construction is made through the words of the main narrators – Ray, Vince and Vic – in a memento that covers lifetimes.

The funeral "show" is cathartic, to the purpose of "abreaction" – defined as "the discharge of emotion attaching to a previously repressed experience" (Rycroft 1972 1). This emotion is the above-mentioned fear. Abreaction is also a reassertion of life, a rejoicing in survival – a *status quo* made official in the act of commemoration. Funerals are evidence of life being a stage, because, even at the end of their existence, people find no other way to acknowledge the change, except by putting on yet another show. When faced with the exit from the stage of life, they do not know how to quit acting, which they have been learning since birth. Acting earned them a place, an identity of their own, which they still cling to. Pushing death to the "front" region, or stage (Goffman 1969 32), to make it a spectacle becomes a performance *for* life as well, in the midst of its very subversion.

The confusion and dread associated with death transform people into submissive beings, in need to be told what to do. This perspective presents the situation of a funeral as a power arena that creates identity within its play of positions: "When those curtains come across and the music plays nobody knows when to turn round and go. There's no one to say 'Show's over.'" (Swift 1997 79). The figure of the undertaker as master of the ceremony comes to the fore in these cases, (as mentioned by Goffman): "When people don't know what to do they have to be told."

Types of journeys

The journey to Margate forces a reunion of the characters, who in this way clash, rehash issues, diverge, but also achieve a form of togetherness. Jack's friends unfold in their minds bits and pieces of their separate and/or common histories, which they recount, creating their identities. The purpose of this travel is therefore not only the execution of a last wish, (of "last orders"), but also identity construction. The stream-of-consciousness of their memories is sometimes triggered by geographical sites encountered on the way, which function as *lieux de mémoire* (Nora 1984). Moreover, the journey is a quest for sense, rather than the fulfillment of a duty.

The itinerary is meandered, they are "abjuring the straight line of history" (Lea 2005 1), along the sites of Rochester, Chatham, Wick's farm, and Canterbury. As Lea notices, the winding route suggests a few things. It is the deferral of acknowledgement of concrete and figurative endings (such as death, crisis of faith, or absence) (2). At the same time, the meanders symbolize an engagement with traumatic experience through convoluted memories (2). Curves point to digressions, which further suggest the (ab)use of fixities.

We have said that a journey can help one acquire identity. It is, for instance, the case of the Australian Andy, Susie's suitor, who comes to England to look for his roots. Susie's evolution into a grown woman is connected with accompanying Andy. A journey can change statuses and *status quo*s. Susie would have become a teacher, had she not decided to follow Andy; thus, her career was sacrificed. The other sacrifice is her relationship with her father, Ray. When Susie leaves, he feels abandoned by everyone: his wife, his friend Jack, who has just died, and his daughter. Journeys of all kinds cause various changes, and new turns in people's lives.

While the young refuse fiercely to be tied to a place, the elderly do not, but become subversive of their situations through comments and actions. More than once, Ray says that the pub frequented by the locals "aint never gone nowhere" (Swift 1997 6), despite being called The Coach and Horses. This remark reveals the regret of a whole generation, for which the pub is an iconic place: fixity hiding a secret longing for movement. Ray has not traveled outside Bermondsey to any significant distance for more than fifteen years. He is not really worried about his daughter going to Australia, but envious of her, because she gets to travel. Ray has a camper that he occasionally uses, at some point even for fourteen weeks in a row, to transport Amy to visit her institutionalized daughter. This helps the initiation of an affair between them, which can be perceived as a deviation from the fixity of a home, and from convention (since they are both married). To Ray, the affair and the trips mean overcoming the feeling of abandonment, as well as that of being less of a man than Jack. The only other surrogate trips that Ray can find are the horse racetracks in his mind:

"When I can't go to sleep I tick off in my head all the racetracks I've been to, in alphabetical order, and I see the map of England with the roads criss-crossing. AscotBrightonCheltenham-DoncasterEpsom." (112)

Upon retirement, Jack wishes to sell his place and go live by the sea, at Margate. Had he been in the Navy, Vic Tucker would have voyaged at sea. As a professional fist fighter, Lenny Tate got to travel, whereas as a vegetable vendor he does not. To sum up, the seniors have a nostalgia for traveling and movement, perhaps even for freedom from a daily role with which they identify.

The insertion of the carnivalesque
The men going to Margate do not take the shortest route, and make a lot of detours and stopovers. Pursuing a winding road hints at their rejection of the mainstream. This rejection is also visible in the use of carnivalesque or lay elements in the story. The juxtaposition of the serious and the frivolous, of "the sacred and the profane" (Lea 2005 166), serves to indicate two main aspects. One is the need for meaning and order. Guiding lines or master narratives (faith included) are absent or distrusted. There is lack of "an appropriate and agreed register" (167) for conduct, of an etiquette to regulate behavior in specific situations. The other aspect is a subversive questioning of protocols (of Bourdieu's *habitus*) (Bourdieu 1977) as *sine qua non* conditions for the authenticity of experience. Hence, indirectly, there is an implied apology of the validity of plural visions upon a given issue. Characters defend perspectives built upon the deconstruction of propriety, decorum,

and norm. They believe that, through these perspectives, one can, contrary to expectations, gain access to the truth. Consequently, both "demystification" (Lea 2005 169) and "resignification" (or "symbolic realignment") occur. These two processes express the use and abuse of perspectives and positions.

The subversion of institutionalized forms of mourning is most blatantly manifest in the characters' displacement of the sites of grieving. Instead of the usual ones, of the church and the cemetery, they use a pub – Bernie's Coach and Horses. Nevertheless, its appearance is that of a church (Swift 1997 1). Vince and Lenny fight at Wick's farm over the jar with Jack's remains, as they cannot agree whether some of the ashes should be scattered there. Vince carries the ashes in a coffee jar, and the jar in a *Rochester Food Fayre* bag (145). The men include the religious landmark of Canterbury in their itinerary, but for sightseeing reasons. These carnivalesque details construct mourning in a manner that seems perhaps outrageous, or even blasphemous. However, its informality suggests more intimacy and sincerity of feeling than the rigid rituals imposed by convention. It is both a construction and a deconstruction of mourning, a use and abuse of it. This practice reunites the men in a being-for communality that is contrary to atomistic tendencies inspired by the Thatcherite eighties.

Part of the carnivalesque, a resignification in itself, as well as one of the effects of lack of order, is the disempowerment of masculinity, which suffers a fall from grace. Men seem less "manly" – in the sense of the conveyed stereotypes of masculinity. They are vulnerable and display an unusual disposition towards minute analysis. Emma Parker goes as far as claiming that "last orders have metaphorically been called for masculinity" (Emma Parker qtd. in Lea 2005 182), as the issue is extended to other novels by Swift as well. The central character, Jack Dodds, seems to be incapable of providing for Vince and June, as he borrows money from his son. Also, he does not have the job he has wished for. The majority of Swift's narrators, which are men, display the same insufficiency. As Lea gathers, this revisitation of masculinity is primarily a consequence of the general somber downfall of all master narratives. Therefore, death in the novel is not only literal, but also a symbolical one of masculinity, dogmatic orthodoxy, and faith. Nonetheless, the demise of masculinity may also be read as a consequence of the powerful female figure of the British Prime Minister of the eighties, as Malcolm (2003) and other critics have duly suggested.

Gifts

The issue of gifts appears in Jack's relationship with his adoptive son, Vince. Dodds expects his son to give him money, in compensation for having been adopted, and for his refusal to carry on with the family tradition of becoming a butcher. Vince is for his father a gift literally fallen from the sky, as the baby cot was thrown out of the bombed house of the Pritchetts into the Dodds', as a result of a bomb blast. This was an unplanned "journey". The infant was Jack's homecoming present upon returning from war, as well as a compensation for the misfortune of having a retarded daughter, June.

Jack and Vince are supposed to be each other's gifts. This situation of (mutual) indebtedness (Mauss 1993) is too strenuous. Hence, Jack fails to be a good father, putting pressure on Vince, neglecting his wishes, and exploiting him. Vince fails to be a good son, because he refuses his family duties and joins the army instead. However, Vince's refusal

has its roots as far back as his childhood, when he felt rejected by the Dodds, who preferred and favored another child – Lenny and Joan's little Sally. During trips for picnics at the seaside, in order to offer Sally the comfort of stretching her legs in the van, Vince was made to ride in the back, where the smell of meat made him nauseous. This injustice was imprinted in his memory as traumatic. It made Vince spiteful towards both his father and Sally, whom he otherwise could have loved. Further complications triggered by his spite ensued. Vince got Sally pregnant, only to leave her afterwards, destroying her life, and attracting Lenny's hatred upon himself. Failures to honor gifts, (starting with Jack's neglect of his real daughter), cause interconnected misfortunes that impact the characters' destinies.

Cars

Vince's occupation brings forth the symbolical space of the car, and its connections with identity construction. His rejection of fixities is more poignant, as he is part of the young generation, of the 1960s, when individualism and anarchic tendencies were starting to shape social attitudes visibly. Vince's unwillingness to be a butcher, in conjunction with a sense of rootlessness and *apodemia* (Liiceanu 1999 40), and a need for independence bring him to the choice of his profession, which involves cars. The space of the car connects identity with themes like journeying and refusal to be fixed in one place/position.

The car helps Vince build the image of a macho: "cruising through town on a hot day with your shades on and your arm dangling out the window and a ciggy [watching] some skirt" (Swift 1997 71). However, Swift's characters are bound to go far beyond such clichés. The car can be an *ersatz* for an impossible, but sought-for emotional bond. In this respect, it is a fetish:

"It's a mate. It won't ask no questions, it won't tell no lies. It's somewhere you can be and be who you are. If you ain't got no place to call your own, you're ok in a motor" (73).

The "motor" represents "a comfort and companion and an asset" (71).

When Vince says "I ain't just a car dealer, I'm a car tailor", the customized car reflects a modern man that is easily adaptable to change. Motion is the way of the world, and versatility in that sense is the key to survival: "It's mobility, it's being mobile" (105). Vince tells Mandy that he keeps the pace with change, thus being in harmony with his times: "I'm in the right trade, the travel trade. So don't tell me I ain't with it".

The car represents, via mobility, "a new kind of subjectivity" (Baudrillard 1999 67), which appears to be "bounded by no circumference", in opposition to the "subjectivity of the domestic world", which is "strictly circumscribed". Compatibility with cars may suggest unstable relations to the others, rejection of dwelling, and setting a high valuation on "individual freedom" (John Lucas in Thacker 2003 63) and "change". This attitude can be extended to the characters' approach to roles, to the fact that they play ambivalent and sometimes contradictory ones. The car as a moving space symbolizes freedom, and indirectly mirrors the attitude of use and abuse of positions. That is why Vince's identification with it is complete: "It's the combination of man and motor, it's the intercombustion. A motor ain't nothing without a man […] and sometimes a man ain't

nothing without a motor" (Swift 1997 71) This identification, or "motorvation", was also reflected in the way he would lie down, as a child, in the back of the meat van, listening to the engine, and pretending to be one with it.

Car movement reflects ambivalence in roles. Vince is and at the same time is not Jack's son (as he is adopted). He is Mandy's lover, but also brother, since Jack brought her in the family, which is a symbolical "adoption". Moreover, Vince is like a father to the girl in some ways, as he is her elder by quite a few years: Mandy is "*supposed to be the sister I ain't got*" (103). They are "somehow, underneath it all like brother and sister, worse, father and daughter", (157) "so it was like *committing incest*". Mandy is "Vince's floozy, Vince's wife, sister, daughter, mother, his whole family". The same ambivalence of roles is characteristic of Mandy. It is manifest not only in her relation with Vince, but also outside it. She was both a helpless "orphan" and a devilish, naughty daughter, giving her mother and stepfather "hell". According to Mandy, her behavior was only a defense mechanism for what they did to her. Mandy was both a victim and an oppressor, innocent and mean: "I wanted to be Mandy Black, and I wanted to be wicked […] I gave Mum and Neville hell, which was only what they gave me" (155).

After the First World War, the car could be considered a class identity marker. It offered representatives of the middle class the opportunity of taking a vacation, usually a trip to the seaside (O'Connell qtd. in Thacker 2003 172). It also favored commoditization (173). Moreover, it brought about the realization of the "narrowness of a unitary self" (Thacker 2003 174), motivating people to broaden their cultural horizons by visiting other places. It allows the characters going to Margate to "glimpse into a past world" (175), through time. They look back on both global history, (for instance, they think about victims of war upon visiting the Chatham memorial), and personal history. The car reminds one that all sites are constructs, "emphasizing how all space, as Lefebvre argues, is the product of human activity" (180). All the aspects above widen people's awareness and experience, and help them gain independence, making their relation with space fluid.

It has also been said that the car enables a "narcissistic projection onto a single phallic object […] or a single objectified phallic function (speed)" (Baudrillard 1999 68). Hence, the car brings about "androgyny" (Thacker 2003 183), unsettling "established categories of thought". For this reason, Thacker considers the car a "heterotopia" – a subversive space. He points here to gender melting with the help of the car. Mandy becomes manly, functioning as a help or even guide for Vince. Vince sees her as, among other things, a mother, who takes control, looking after him.

Journeying into genealogy

Another type of metaphorical journey is into the past, in one's mind. One aspect of it is the interest in genealogy. Characters try to compensate for loss of continuity by looking for their ancestors (Lea 2005 164), as in *Waterland*. They seek for meaning in an analysis of their personality as their parents' children, based on biological resemblance or role-modeling. This endeavor is countered by the stress on life's "accidents of birth" (Swift 1997 97) (Vince's identity and June's retard). The ultimate realization is that accidents, rather than any genealogical continuity, have brought them where they are. This idea is nevertheless sabotaged by the very obstinacy of the search.

Vince analyses his past, in order to understand who he is, just like Mandy. Andy investigates his roots upon coming to England. Ray is haunted by his father's words, that his puny build made him fit for bookishness, but incapacitated him to be a real man. Jack becomes a butcher like his father, praises the occupation as dignifying and manly, but at the same time resents it, as his hidden wish was to wear a different robe – that of a doctor. Vic remembers how his father told him that, before dismissing the job of an undertaker for "foolish notions like running away to sea, mermaids and monsters" (126), he should first have a look at what it presupposes. Vic apparently sees the logic in choosing this occupation, but is also ironic towards the business when he remarks that one cannot go bankrupt in it (78). Thus, we ultimately do not know what his real opinion on his job is. The fact remains that his father's influence is decisive for what Vic becomes. The essence of the symbolic journey into genealogical ties is that they function as "spaces" of partial sense making, by (ab)use.

Duty as saving mode

All men fulfill a duty by setting off to Margate. Lenny says that "It's a question of duty" (132), but that "Doing your duty in the ordinary course of life is another thing, it's harder". His conclusion is that "There shouldn't ever be no running off, deserting". Amy, Jack's wife, performs habitual duty trips of her own, visiting her handicapped daughter in hospital every Monday and Thursday. Lenny refers to Amy's activity as a "question of paying your dues", although Amy knows it makes no difference to her child whether she goes there or not. The futility of this drill is expressed by two characters: Lenny, as he says they will be "none the wiser", and Jack, in whose opinion it was a "fool's errand" (15). Amy does not accompany the men to take the urn to Margate, as she goes to visit June instead, a gesture for which she is judged by the others (11). The fulfillment of a duty in situations when the task seems futile has been commented as "ventriloquised" faith (Lea 2005 171). Lea sees it as a "supplanting" (169) narrative that replaces the ones that have been dismantled. It is a mechanical surrogate, a pantomimic construction manifested in a "compulsion to repeat" (170). It is a habit needed to integrate reality by recourse to a symbolic fixation, which has a compensatory value. Such a duty is a ritual that circumscribes one's existence, a sort of a third space of use and abuse of a role. In it, the character proves, in an ambivalent stance, to be both an agent of a "self-willed act" (171), and a stringed puppet acting on compulsion. This performance is both a manifestation of freedom and one of absence of it.

Using and abusing roles

We may consider that Amy is performing contradictory roles. She is both doing her duty, and avoiding it; loving, and careless; extremely sensitive, and excessively cold. She (ab)uses her roles of a good wife and a good mother. The narrator does not take any stand in explaining her choices, which contributes to ambivalence as far as how Amy is. As a wife, she appears as devoted and loving. She acquiesced to Jack's desire that they move to Margate and become "new people" (Swift 1997 15), although it was not what she wanted. She also saw that his last wish should be fulfilled. On the other hand, she goes to June instead of accompanying Jack's friends to scatter the ashes. Moreover, in the past, she

accepted an affair with Ray. As a mother, she proves loyal to June, and she saves Vince by adopting him. She is nevertheless unfair to both, by directing her affections to Sally, to whom she is a surrogate mother, causing Vince pain and trauma. Her attitudes in both positions are questionable, interpretable as both positive and negative.

Other characters play the same game in their positions. Jack does that as a father. As a man, he is good-looking, the embodiment of a cliché, preferred by women, the kind that is fit for the army and who has a "serious", "manly" job (26). On the other hand, however, small Ray gets involved with Jack's wife, and gets praised as sexually endowed by prostitutes on the front (92). He also functions as Jack's protector in the war in Egypt. Jack stands in his shadow, calling him "Lucky" (87), with the firm belief that Ray is a luck-charm that can prevent him from getting killed.

These comments reveal Ray's ambivalence towards Amy, women in general, and his profession. In relation to Jack, he is a good friend. He gambles to help him pay his debt, (while Jack is helpless on his deathbed), and takes care of Amy after her husband has passed away. Ray is also Jack's enemy and traitor, a rival in fancying his wife, and in having a moment's hesitation whether to give Amy the money that he wins betting on horses, or keep it. In relation to his daughter, Ray is trying to keep her close to him, by preventing her from leaving with Andy. Restricting her liberty may be perceived as both an attempt to protect her and a selfish desire.

Vince is both an ungrateful son, by refusing to be a butcher, and a good one, who gives his father money and performs his last duty. He is a womanizer, ogling other women than Mandy, (like Sally, or Bernie's waitress Brenda/Glenda) (6), but he also functions successfully in what turns out to be a stable relationship with Mandy. He is both a lucky child, for having been adopted, and a foundling. He ends up being an orphan twice, since he gets symbolically abandoned by his surrogate mother Amy, for Sally. He is capable of love: he provides for Mandy and his daughter Kath, as the head of the family. He is also a villain, as he shamelessly and abusively treats his own daughter like a prostitute, as an incentive for clients at the car shop, in order to sell his products. Vince does not mind when one of his prospective customers at the car showroom, the Arab Hussein, makes advances to Kath.

Although Vic Tucker seems the most dignified of all characters, he has an adventurous side (he would have liked to be the captain of a ship). Bernie is apparently a benign figure in the story, a middle-aged, uninteresting man, perhaps a little inclined towards drinking, judging by his appearance. Nevertheless, he becomes a priestly figure. Lenny seems insensitive and sarcastic in his comments on the others, but he is in a way more sensitive and intuitive than all of them, as he is capable of pinpointing their situations with clinical precision.

Conclusions

We have analyzed in *Last Orders* the richness of the concept of journey and its images. Among these, the symbolic one of life, as well as the last one, in death, are of particular prominence. Journeys are literal – in the minivan, in a car for leisure, to the hospital etc., or symbolical – such as living, or memory trips into genealogy and the past. They are interconnected with themes and recurrent motifs – those of: gifts, the narratives people live by (Christianity, masculinity), duty. All these reveal the way in which characters embody roles that they use and abuse.

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INSIGHTS INTO BEING SOCIAL AND/OR SOCIAL BEING
IN GRAHAM SWIFT'S WORLD

Alexandra Roxana Mărginean, PhD.
Teaching assistant, Romanian-American University

Abstract

This paper is part of a larger study that analyses, by resort to cultural studies, the way identity is constructed in relation to various spaces in Graham Swift's fiction. The social sphere, where people interact while embracing roles, is considered to be one such "space" or arena. The individual is not a monad, but the resultant of the surrounding realities. Concepts taken from Bourdieu's theory of social games and his habitus equation are relevant, along with those of Goffman's social stage theory. We can signal two types of influences on Swift's characters. One is a broader context, of mentalities, in which concepts such as "self-occultation" or "adiaphorization" express haunting worries, along with the problem of confronting death. The other is the social realities that characters deal with – the post-war welfare state and progressive individualism towards Thatcherism. Torn between opposite tendencies, towards estrangement, on the one hand, and relationships, on the other, the characters use and abuse the positions that they occupy.

Keywords: identity, social interaction, ambivalence

Introduction

This paper begins with aspects of the socio-historical background of the fictional worlds under discussion, as the ideology/ies at work influence the characters' world views. Then, the broader context, of mentalities and philosophical outlook(s) on life, will come to the fore. We will subsequently see how some theoreticians emphasize that all identity is social, and that no social interaction is performed in a *tabula rasa* milieu. Hence, an explanation of Bourdieu's fields and game theory is relevant. Also, as throughout history social interaction has often been likened to a representation on stage, and since Swift's characters often refer to their roles as theatrical, we will introduce working concepts from Goffman's performance theory.

The socio-historical background

The Sweet-Shop Owner covers a period of roughly four decades, from the 1930s to the 1970s. *Shuttlecock* focuses on the second half of the twentieth century, especially after the war. *Waterland* makes incursions into the nineteenth century, but the narrative standpoint is the Thatcherite present. In *Out of This World*, Harry and Sophie look back to the past from the eighties (1982): the violence of a series of wars and television shows culminating with that of the American president's discourse on the occasion of the 1969 landing on the

moon. *Last Orders* comes even closer to contemporary times. It depicts a journey taking place in 1990, but characters allow memory to wander in the past, mainly World War Two. Similarly, in *The Light of Day*, George Webb's monologues and thoughts occur during one single day, November 20, 1997 – two years after a murder. They refer to incidents belonging to decades before, as part of the lives of three generations. The vantage point in *Tomorrow* is still the nineties, looking back on the atmosphere of the sixties and the seventies. *Caribbean Dawn* reiterates the American dream, fulfilled by Graham, the main character.

In broad lines, the most discussed temporal segment in all the novels stretches from the forties to the eighties or nineties. The narrators focus on the social transformations until after Margaret Thatcher's governance, and on their effects on the individual. They sorrowfully denounce what in their opinion is a history of pseudo progress and false war heroism of Great Britain. As presented by mainstream productions and recordings, post-war ideology purported a politics of consensus and the welfare state, which ensured the support of human rights and provided for its citizens 'from cradle to grave'. The politics of consensus was followed by Thatcher's privatization and the discursive dissolution of the traditional concept of society. People faced the disappearance of the comfort, the safety net previously provided by society. The narrative of order and meaning faded. A marked individualism ensued in the eighties. However, this vein had existed since the sixties, and, as subdued tensions, even before that, due to frustrations emerging from the post-war struggle for survival. During the early seventies, Keynesian thought was declared to no longer represent economic reality. With Swift's characters, the emphasis falls on the estrangement and brutality of history, which negatively affect the individual.

Daniel Lea considers that the two generations in all of Graham Swift's novels are representative of two opposing sets of values – communality and stability, versus individualism and rootlessness: "The values of stability through continuity and of communal before personal responsibility are radicalized into a form of pre-Thatcherite free-market ethical economy that privileges individual freedom over the duties of the commonwealth and valorizes self-fulfillment as the ultimate goal of authentic being." (Lea 2005 177). These opposite tendencies create additional social tensions.

Ideology/ies at work

Characters become painfully aware of the mechanisms of modernity, namely "self-occultation" (Castoriadis qtd. in Bauman 1998 19) and "adiaphorization" (Bauman 1998 99). The first concept refers to an illusion entertained willingly by society: "denying or disguising the fact of self-constitution" (19). Self-creation is treated "as an outcome of a heteronomous command or the extraneous order of things". In other words, society justified its existence and mechanisms by recourse to God and His Order, relying upon grounds offered by Christianity. The advantage was that these grounds were much more difficult to fight, to expose as inadequate, or to resist, as the stake of what might be lost was higher. However, as God is later proclaimed dead, the motivations to do good and not evil disappear as well. "Adiaphorization" is the "exemption of a considerable part of human action from moral judgment" (99-100), i.e. the avoidance of moral responsibility. Responsibility is directed at "either [...] socially constructed and managed supra-individual

agencies or […] a bureaucratic 'rule of nobody'" (99). Deeds are no longer judged in terms of moral obligation.

Along with others, Bauman intimates that, after one disenchantment, with Divinity, humanity faced a second one, with Reason (75). This second disenchantment appears in the novels as references to war violence and the evil effects of technology. These are proof of a second type of adiaphorization: that of cruelty performed through "insensitivization" (149). Desensitivization appears as a result of massive exposure to violence through the media, and the creation of distance from the victims through advanced technology (151). Screens allow mass killing in war just by merely pressing buttons and targeting dots (150). Reason has engendered both progress and misery. This critical situation brings about an identity crisis and the chaos of fragmentariness. It also brings about the necessity of morality and moral choice (in the sense understood by Bauman). People's most immediate imperative is to confront the "Abyss" (16), or death, in the context in which neither faith, nor Reason are there any longer. The human being is left with no explanation for the purpose of existence, and with no means of facing the futility of life. This atmosphere of the mind materializes in a particular obsession with death in the novels under analysis.

Graham Swift's "people"

As a result of the socio-historical and philosophical contexts above, Swift's characters vacillate between two contrasting tendencies. One is being moral, relating to the other in a meaningful manner that entails commitment, emotional involvement and the fulfillment of duty. Characters are in search of redemption by the creation of a context, of a "space" of sense-making. The other tendency is towards solitude and egotism, as a result of acute disenchantment with the ways of the world. Consequently, characters will relate, get emotionally involved, (sometimes because they cannot help themselves), but will also tend to subvert each position they are in, (ab)using it.

Swift's characters are never simply superficial, meant to merely deconstruct and deceive. They are generally good people, as obsolete or nostalgic as this description may seem. They are tender-hearted and kind – sometimes despite themselves or without realizing it. These traits make their existence harder. It is because they are kind and sensitive that they seek meaning restlessly, and ultimately create a surrogate narrative at a more modest, personal, micro level. They get involved in "the generation of an artificial but satisfying *telos*" (Lea 2005 59). They need to be noble, and find nobility in the fulfillment of duty, or in sacrifice. It is their way of achieving the "being-for" the other (Bauman 1998 51), which is an authentic form of togetherness that comes in contradiction with Reason (52), as it presupposes emotions and love for another (53) (Lévinas 2002 105-6). It involves "commitment" (Bauman 1998 53), love, and fellow-feeling, as well as a form of "loneliness" (57). It is an act of courage, as it entails "shedding" any social "mask" (59). It goes against the conventionality of the "being-with" (50) – a less authentic form of togetherness. The "passage from being-with to being-for" (59), along with the commitment involved, are called love (in Bauman's view relying on Longstrup and Lévinas) (60). For all these reasons, being-for the other is a moral act.

In Bauman's outlook, people are also moral when, having faced reality as it is, they act and make moral choices (1). Seeing reality in its gloomy appearance and expressing this

feeling are acts of courage, of refusing to lie to oneself, even if that brings more suffering. Characters like Will Chapman are numbed, incapable of acting per se in any grand way required of them by history. However, the mere expression of their opinions (as narrators), or their lack of reaction qualify as acting, because these attitudes change the others' perceptions of reality. Since these characters' thoughts and opinions create standpoints and modify reality, they are moral in the above-mentioned sense described by Bauman.

"Being-for the other"

Communion and being-for the other resemble "pure relationships" (Giddens 1991 88). According to Anthony Giddens, the main difference between a pure relationship and a traditional one is that the former "is not anchored in external conditions of social or economic life" (89). In it, "the connection with the other person is valued for its own sake" (90). It only exists as a result of internal motivation, and whether it lasts depends on the feeling of fulfillment experienced by the participants. This means that "anything that goes wrong between the partners intrinsically threatens the relationship itself". Pure relationships are "reflexively organized" (91), i.e. self-reflexivity and self-examination are at work. Each of the participants constantly checks the level of self-fulfillment by asking oneself questions meant to establish who one is and where one stands. "Commitment" (92) motivates participants to try to preserve the relationship. The "committed person" is "someone who, recognizing the tensions intrinsic to a relationship […] is nevertheless willing to take a chance on it". Commitment must not be confused with either conviction or love; love is "a form" of it, but commitment remains "the wider category". It is basically "what replaces the external anchors" of the traditional relationship, it is what helps "buy time" (93) when "perturbations" appear.

Pure relationships also have as necessary ingredients "intimacy" (94), (which should not be mistaken for "lack of privacy"), and "mutual trust" (96). Giddens explains that trust is not automatic. If the participant in such a relationship cannot trust other people due to previous traumatic experiences, the foundation of the pure relationship is jeopardized. Participants need to be "secure in their own self-identities" (95) and about their self-worth. Otherwise, relationships degenerate (95). "Co-dependency" (93) is a sort of addiction, as a partner is "psychologically unable to leave", even if (s)he is unhappy and wants to. "Conflict-ridden relationships" (95) contrast with "de-energized" ones. In "convenience" relationships partners "settle" to stay in the relationship because it is more convenient than to leave. The reasons are potential exterior rewards, and/or avoiding difficulties or loneliness (95). Most of Swift's characters want to have pure relationships, but fail because they are traumatized. They lack self-assuredness, self-integrity, and the ability to trust.

Other recommendations to achieve a pure relationship are: to communicate, not to rehash old issues during fights, to engage together in recreations of all kinds, and "to express anger in a constructive way" (97). Giddens also informs us that marriage, friendship and sexual relationships fall under the category of pure relationships, but parental ones do not (98). The latter are dependent on external criteria, such as biological and power relations, and not upon the participants' choice (98).

According to Margareta Bertilsson, love transforms "both the subject (the lover) and the object of desire (the beloved one)" (Bertilsson 1995 307), who are "no longer identical

with themselves". In other words, it changes identity. Niklas Luhmann sees love as "an important medium of symbolic exchange" (Luhmann qtd. in Bertilsson 1995 311), through which people get to know themselves better and enhance communication with the others. Thus, love is seen as the vehicle of the formation of both personal and social identities. Weber explains that when people consider God dead, the "eroticization of life occurs" (Weber qtd. in Bertilsson 1995 304). This could lead to violent relations between the sexes (to the detriment of women) (303). People would "become each other's means" (304) of satisfaction or pleasure, in the absence of religious morality, spirituality, and superior guidance. This is precisely what happens, for instance, for quite a long period of time, in the characters' lives in *Shuttlecock*. However, the individual's personality weighs a lot in the constitution of her/his love interest and relationship. Simmel points out precisely that, when he says that the more evolved the individual "on the evolutionary scale", the more "individuated" his/her love is (Simmel qtd. in Bertilsson 1995 305).

Although characters manifest distrust of love or of being able to hold on to it, they never see it as a petty interest. With very few exceptions, which may arise as momentary revolt that is soon corrected, love is never trivialized. In Swift, there is no room for Sartre's view of love as "*une passion inutile*" (Sartre qtd. in Bertilsson 1995 321), or as unreal. In Sartre's reflections, by being a desire for the other, once the other is possessed, love disappears, so it is an illusion.

People as social beings

In support of identity construction in connection with space and positions in society, and as a reason why we need Bourdieu and Goffman's theories, we have Charles Taylor's perspective. We "don't, individually, determine the options among which we choose" as far as who we are in society (Taylor qtd. in Appiah 2005 107). To forget that is to neglect Taylor's "webs of interlocution" and to commit "monological fallacy". People choose positions from a pre-existing set, or "web", and they are not monads, they need interaction with others to reach these positions. People "make up selves from a tool kit of options made available by our culture". These options are considered in our paper the "spaces" or "positions" in relation to which characters construct their identity.

Richard Jenkins also makes the point that identity is social, constructed through interaction, in context (Jenkins 2005 4). Stuart Hall contends that identities are constructed within discourse "in specific historical and institutional sites" (Hall 2000 17). They "emerge within the play of specific modalities of power", and "are constructed through, not outside, difference", "only through the relation to the Other". To Hall, identity is always contextual. Here, Hall meets Althusser's interpellation theory: subjects are created by being summoned into positions by ideology.

Bourdieu tried to give a more thorough picture of social interaction in his equation: "[(*habitus*) (capital)] + field = practice" (Bourdieu qtd. in Crossley 96). Besides the tangible, economic capital, there is also "cultural capital", as well as "symbolic capital" (97). Symbolic capital refers to status, recognition, and generally "the manner in which an individual is perceived" by the others. Forms of social stigmatization, such as racism or sexism, are translated as "capital deficit". Different "levels of capital", of either form, create class differences that make up a hierarchy on a vertical axis (99). The "horizontal

axis" maps understanding according to social spaces or "fields", which often overlap. The likening of fields to "markets" (100) or "games" points to their common elements of strategy and negotiation. Capital and *habitus* are two parameters that shape the agent's courses of action, i.e. establish affordability within the fields (101). Of course, in its turn, the field shapes the *habitus*; the social environment actions and perceptions ultimately (re)create the field (101). Bourdieu's fields may be likened to Taylor's "webs" or Hall's "sites".

The game is therefore a set of positions, a situation, context, or even a role. The characters sometimes break conventions. They not only bring new content to a role, but also show that the respective position might be an illusion. For instance, they regard the concept of war hero as oxymoronic, denying its validity. Some characters do not believe in the positive archetypal connotations of the concept of home (Vince Dodds in *Last Orders*). They implicitly deny *ethos*, and put forth the conviction that a "home" gives the individual an accidental identity. A third example is the claim that an individual can truly love and be moral and a murderer concurrently (Sarah, in *The Light of Day*). At times, it is precisely the extra-ordinary nature of a situation that brings meaning.

Swift's characters are not playing the insensitive game of the cynical, typical, late modern character, described by Bauman (Bauman 1998 99). In Bauman's games, players are aware that what they do is "just a game", with no emotional involvement. There is "no room for pity, commiseration, compassion or co-operation". Yet Swift's characters are torn by existential issues, bound by duty, and in search of being-for the other.

Bourdieu calls "social libido" the "impulse" that connects the players to a certain field (Bourdieu qtd. in Crossley 2001 102). Crossley disagrees that this force is merely a biological drive, and claims that it has a more specific nature, being a "desire for recognition" (Crossley 2001 102). It is a "desire of the other" if this other can act as a mirror. This is a Lacanian mirror situation combined with interpellation. Desire for recognition gives people the incentive needed to compete for status, thus lying at the foundation of social dynamics. With Swift's characters, this desire does not come out of egotism or vanity, but out of a need for meaning. It is a moral drive, rather than one for self-affirmation or empowerment for the sake of power.

Goffman's performance theory

According to Goffman, people act whenever they are in somebody else's presence. He defines "interaction" (Goffman 1969 26) or "encounter" as "any one occasion when a given set of individuals are in one another's continuous presence". To him, any effort to render an impression is an act. A "performance" is "the activity of a given participant on a given occasion which serves to influence in any way any of the other participants". He makes a distinction between "'part' or 'routine'" (27), the "pre-established pattern of action", and "social role" – "the enactment of rights and duties attached to a given status". A social role may involve more parts (27). The former two concepts refer to representation as actual behavior, whereas the latter shows who one is.

The existence of a moral dimension in Erving Goffman's theory corresponds to this particular drive in Swift's characters. It is visible in "idealization" (44) – the tendency to present to the others a better self than the actual one. Idealization is not viewed as an

inclination to lie, but as one towards self-improvement (44). It also aims at smooth social interaction and cooperation for harmonious co-existence (45). This is what most characters ultimately seek to do, as much as possible, in their micro, duty-bound contexts: to act out (adapted) roles that fulfill them morally. Another reason why we resort to this theory is the similarity between – this time – the negativism accumulated by characters with respect to the unnaturalness of certain roles, and the artificiality involved in performances.

However, in Goffman's theory the world is seen as rule-governed, orderly, and even helpful and didactic. The world provides a kind of symbolic manual to help one exist in it. The theory relies upon conventions whose validity it presupposes. Thus, it seems too much anchored in ready-made recipes for living. Also, even if (s)he acknowledges the existence of order, (s)he does not display a positive attitude to it, but discards it as faulty and hypocritical. Nevertheless, some of Goffman's concepts serve as clarifications for the characters' behavior in some contexts.

Stuart Hall wonders about the mechanisms that determine how and the extent to which individuals identify with the positions that summon them (Hall 2000 27). He wants to know how they "fashion, stylize, produce and 'perform' these positions", and why there is a "constant, agonistic process of struggling with, resisting, negotiating and accommodating the normative or regulative rules". The (ab)use of space(s) performed by Swift's characters for reasons that we have mentioned may constitute a partial answer to this question. The relation of the individual to "discursive formations", the way (s)he tries to adapt her/his behavior to these by "chaining" (19) or "suturing" oneself to them is defined as "articulation". Articulations show relations of "no necessary correspondence" (27) between the desires of the subject and what they can actually have.

From within a role, characters turn their attention to the law and to themselves (Butler 1997 108). There are two important aspects within Butler's trope of turn. One entails looking at oneself from within the position held, which is the equivalent of a transgression of the limits imposed by that status. It is also a schizoid examination. The other aspect is an active contemplation of the laws involved by that position, in a desire to reassess a given. The result is that the person becomes a subject in a three-fold sense. Firstly, one is subjected to a set of rules imposed by that position. Secondly, one is the subject of analysis. Thirdly, one gets to act via discourse, becoming an agent who will (in)validate the givens, adjusting them to one's own view. It is only through acceptance of being a subject (i.e. subordinate, obedient) that one gains the momentum to perform as an agent. Trespassing helps identity construction. It also shows the individual to be ambivalent, both inside and outside the role.

With these characters, the resulting multifaceted and ambivalent identities are never as clear as to be determined via "role location" (Sarbin and Alleen qtd. in Baugnet 1998 56). According to Sarbin and Alleen's model, identity is definable by means of three categories: "status" (57) (designated by a noun), "value" (described with an adjective, such as good, bad etc.), and "implication", i.e. salience in society. Thus, identity could theoretically be pinpointed by answering simple questions, such as "who", "what" or "how" (56). However, clear answers are not available for Swift's protagonists, due to their ambivalent roles.

Status or role?

One last clarification that needs to be made at this point bears on the concepts of status and role. These necessarily appear in an analysis of social interaction. According to Jenkins, the main difference lies in the polarity prescriptive-performative, whose terms are associated with status and, respectively, role. Jenkins pinpoints it by assigning to these concepts synonyms that he deems more illustrative of this contrast, namely "nominal" for status, and "virtual" for role: "The nominal in this case is the ideal typification of the institutionalized identity – its name or title, the notional rights and duties which attach to it, etc. – while the virtual is how the identification is worked out" (Jenkins 2005 142). The virtual allows for "variation" for the individual and local. T. H. Marshall connects his explanation of the distinction between status and role to space. Status is the person's "place in the relationship system considered as a structure" (Marshall 2000 304). It is a naming or identification of the respective position. A role refers to the person's conduct, the "items which make up the behavior that is expected" (306). Marshall also distinguishes between status with no hierarchical implications, and social status, which has come to denote a "position in the hierarchy of social prestige" (308).

In my approach, status is not considered as significantly different from role. There are two arguments to support this suspension of distinction. Firstly, late modernity is a world in which social class becomes elusive, and hierarchies clash. Thus, the distinction between role and status in its second sense mentioned by Marshall disappears.

A second argument that supports giving up the opposition is how the characters perceive a role. Theoretically, a status is more rigid or fixed than a role, which is dynamic. In agreement with Marshall and Jenkins, a role would be what one does in association with a status, in the sense of what one is supposed to do. Thus, characters see the role, despite the dynamics that it involves, as yet another fixity, because the variations it allows are within certain boundaries and conventions, which they still dismiss as rigid. What counts is their attitude, and the effects that it engenders when they approach roles. To them, the meaning of the "role" they play is in complementary distribution with that of "status", "position", "space", or "context" which they accept and at the same time reject, deconstructing the traditional perceptions on these.

Conclusions

This paper has been an interpretation of the attitudes of Graham Swift's characters in tandem with the social background and mentalities at work in their time. This approach is motivated by the firm belief of many critics (and the author's) that identity is created in correlation with and under the influence of the social environment. In other words, identity and the environment are mutually reflexive. That is why, the characters' despondency and distrust, concomitant with a still hopeful search for meaning are dispositions that coexist in them, and go hand in hand with their – on the one hand, artificiality in roles, and, on the other, lyricism.

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THE ROLE OF THE COMMERCIAL SERVICES IN ROMANIAN INTEGRATION INTO THE EUROPEAN ECONOMIC STRUCTURE

Lecturer Ph.D. Laura Cristina Maniu
Lecturer Ph.D. Andreea Marin Pantelescu

Abstract

Globalization and trade liberalization have led to increased competition between countries, regions and companies. In the era of globalization, companies realize slower constraints arising from the change in the conditions of entry into new markets and the emergence of new business models centered on information technology.

The present paper will describe the role of the commercial services in Romanian integration into the European economic using a collection of statistical data and reports.

__Key words__: trade, commercial services, travel, transport

1. Introduction

External opening of the Romanian economy involved, besides external trade liberalization and exchange rate, the adoption of some permissive laws regarding capital inflows.

We can talk about a revival of international trade easier for goods and services in the global economic and financial crisis.

The adoption of an encouraging legislation for foreign investments was necessary. In 1991, Law no.35 was adopted, regarding foreign investments regime, amended several times in the next period (1993, 1994, and 1997). After specialists appreciations (Dumitrescu and Bal, 2002) the legislative framework created in Romania was attractive for foreign investors, being entirely comparable with the one developed and applied by other transition countries such as Hungary, Poland, Czech Republic (Ghibuţiu, 2012).

Currently, the statistics data of the balance of payments show that the dynamics and structural changes in the field of trade in services in Romania has accelerated significantly.

The economic relations between the EU and Romania are both characterized by complementarily and competitiveness (Soca 2007).

2. The analyze of the Romanian trade in commercial services

Embedding Romanian sector of services in the European services network represents the shortest and effective way to modernize the national service sector.

External trade evolution in the transitional period is characterized by a reorientation of trades towards Western markets, mainly the ones of EU.

Figure no. 1 *Evolution of current account and its components, of Romania, 2011-2012 (EUR million)*
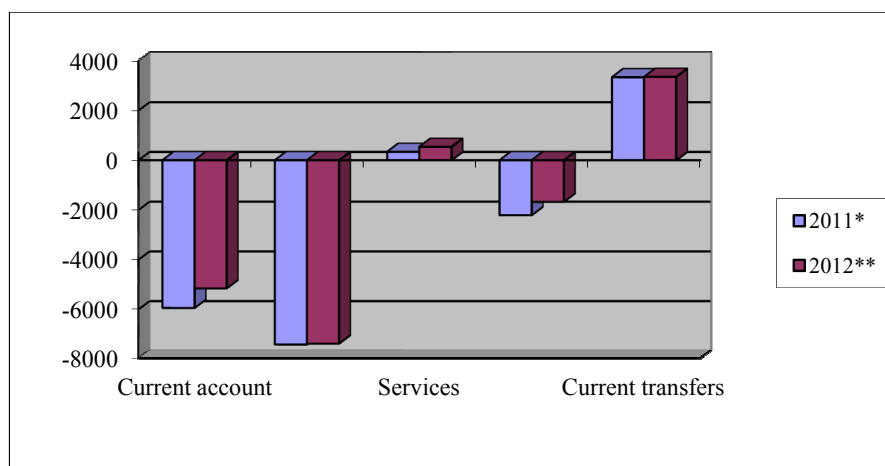
Source: BNR, Monthly bulletin, July 2013
*) semifinal data
 **) provisional data

The current account of balance of payments deficits in both 2011 (-5938 million euro) and in 2012 (-5151 million euro), according to Romanian National Bank (BNR).

Figure no. 2 *Evolution of commercial services exports of Romania from 2007 to 2012 **
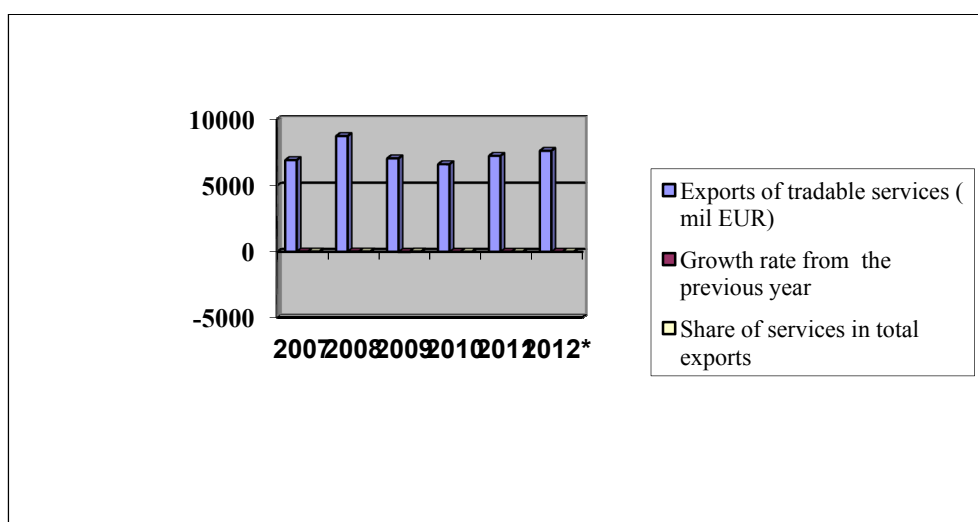
Source: authors calculation after 2012 International Trade Statistics and BNR
*) provisional data

Between 2007-2009 the global trade of Romanian's goods and services varied, recording values of 42.479 million euro in 2008, then returning to approximately the value recorded in 2007, 36.147. Romania exported goods and services in 2008 worth about 42.5 billion euro. Revenues from services amounted to 7.253 billion in 2011, up with 9.6% compared to 2010. According to provisional data BNR, year 2012 brings an increase of revenues from commercial services of 385 million euro.

Imports of goods and services were entered on the rise until 2008, when it registered a value volume of about 61 billion euro. The share of commercial services in total imports of Romania remained constant during this period. Payments for services in 2009 amounted to 7357 million euro, and because of the decrease in imports of goods, the share of commercial services in total imports surpasses the share of goods. Payments for services totaled in 2011, 6913 million euro, up with 11.2%, compared to last year. Growth rate compared to last year payments for commercial services, in 2012 was 2.7%.

Figure no. 3 *Evolution of commercial services import of Romania between 2007- 2012**
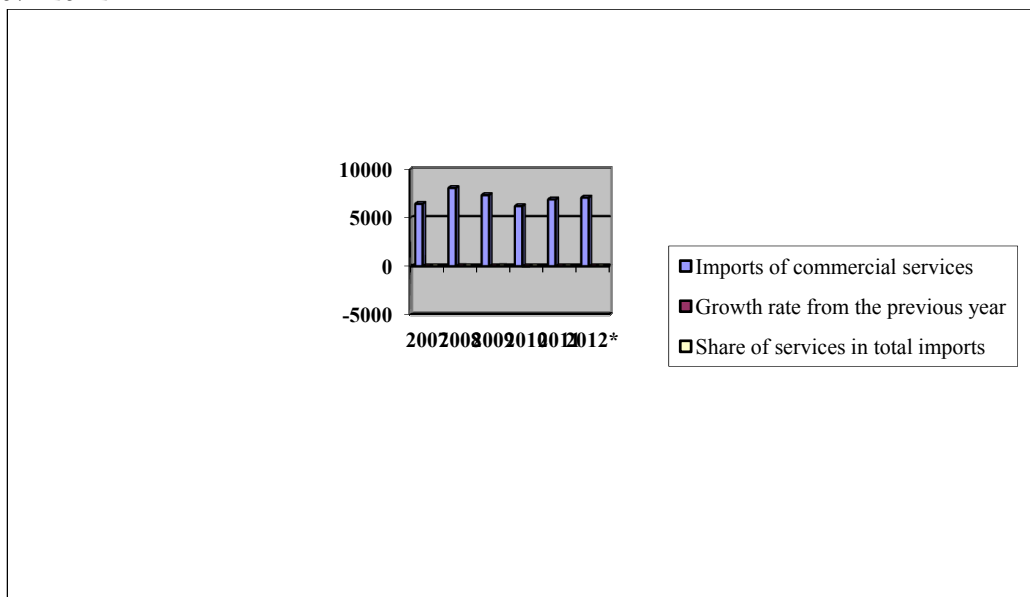
Source: own calculations after WTO 2012 International Trade Statistics and BNR

For Romania in 2012, according to Romanian National Bank data, the balance of external payments shows a positive balance of international trade services. The services balance recorded a surplus of 540 million euro, increasing as against 2011, when it totaled 340 million euro. This was mainly due to the positive balance of transport services, which amounted 850 million euro. Of all components of services balance, the only one with surplus was the transport position.

Figure no. 4 *Evolution of the services balance and its main components in 2012 * (EUR million)*
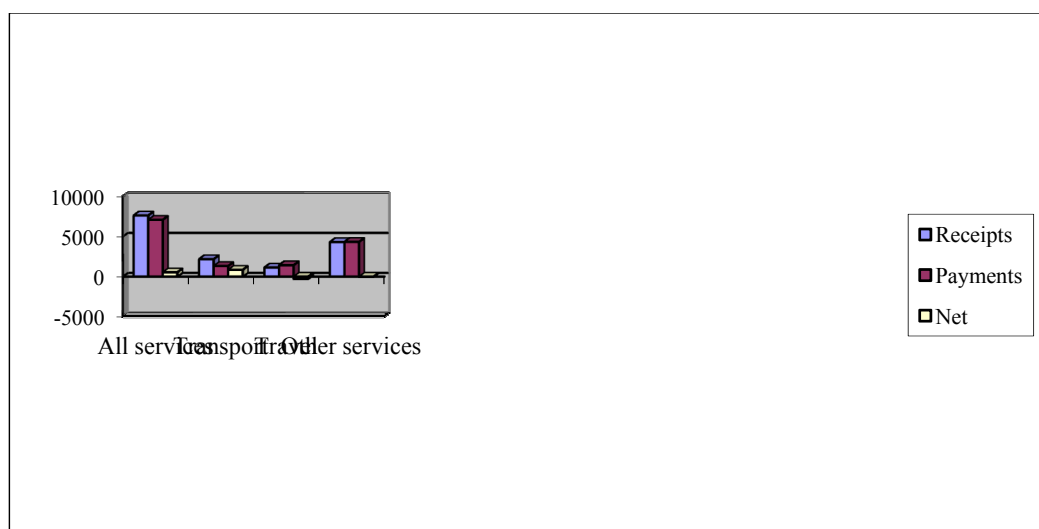
The category "other services" has the highest weight, both in export and import of Romania total commercial services (55.3% and 60.2% in 2011 and 56.48% and 61.13% in 2012).

Table no. 1 *Structure of Romanian commercial services (EUR million)*

Exports of commercial services	**2010**	**2011**	**2012***
Total, of which:	100.0	100,0	100,0
transports	29.1	30.7	28.57
travel	13.0	14.0	14.95
Other services	57.9	55.3	56.48
Imports of commercial services	**2010**	**2011**	**2012***
Total, of which:	100,0	100,0	100,0
transports	18.6	19.4	18.76
travel	19.9	20.4	20.11
Other services	61.5	60.2	61.13

Source: own calculations after Romanian Statistical Yearbook 2012 and BNR
*) Provisional data

The category "other services" has recorded a continuously growth, having a share of 56.48% in exports, close to global average.

The "transport" position recorded in 2012 a surplus of 850 million euro, down with 33 million compared to last year.

The statistical data show that the dynamics and performance of Romanian's international trade in commercial services were heavily influenced by the economic and financial crisis triggered worldwide.

3. Conclusions

Given the current context domestic and international and according to Romania's National Export Strategy 2011-2015, Romania should focus on promoting export culture within the local business community, harnessing resources in a sustainable way of export activity, strengthening national value chains to increase the added value of exports, encouraging innovative local companies, maintaining and enhancing the current market share and attraction of new international markets.

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THE IMPACT AND PERSPECTIVES OF THE E-TOURISM
AT A GLOBAL LEVEL

PhD Lecturer Sion Beatrice
Professor Cezar Mihãlcescu, PhD

Department: the Economy of Domestic and International Tourism
University: Romanian-American University of Bucharest
beatrice_sion@yahoo.com
cezar_mihalcescu@hotmail.com

Abstract

The tourism has become one of the largest industries in the world and its development shows a continous grow every year. The World Tourism Organization estimates that until 2020 the arrivals of world tourists will increase by up to 200%.

This way, the tourism has become an economic branch extremely competitive. Its competitiveness is no more natural, it is leaded more and more by science, information technology and innovation.

Key words: e-toursim, e-tourist, e-information, e-booking, electronic commerce

1. Introduction

Along with the exponential growth of extension and using the Internet and the World Wide Web, both at home and at work, have increased also the opportunities for travel providers to distribute information and to process bookings for potential buyers.

The development processes within the information technology, communications and Internet, have revolutionized the entire tourism industry, creating new business models, changing the structure of distribution channels of the tourism and reprojecting all products of this industry and last but not least, influencing the touristic packages suppliers , destinations and stakeholders. (Organism or group of people with major interests in the conduct and results of the company).

Some hotels have implemented a fully automated check-in process, stepping back from personal contact and relying on an electronic process to meet the customer's needs.

As long as the small tourism operators can be reached on the Internet, the trend will grow up in their direction, because the Internet is similar to a "playground" in which with a well done web site, the small businesses can advertise as professional as their larger competitors.

In this context, we assist to a more and more emphasized development of the electronic commerce, hence of the electronic tourism (or e-tourism).

2. E-tourism around the world

The electronic commerce is defined as the activity of sale and marketing for products and services through an electronic system such as, for example, the Internet. It involves the electronic data transfer, the distribution management, e-marketing (online marketing), online transactions, electronic data changes, the automated inventory of used management systems, and automated data collection

E-Tourism (electronic tourism) is a part of electronic commerce and unites one of the fastest development technologies, such as the telecommunications and information technology, hospitality industry and the management / marketing / strategic planning.

The specific activities of the E-Tourism assume the existence of the tour operators, of the travel agencies and other entities with interests in tourism field in virtual space through a specialized portal. The phenomenom itself, has implications for both travel consumer and for tour operators, travel agents.

E- tourism involves for the final comsumer the following aspects: e-information, e-booking (hotels, transportation, etc) and electronic payment.

2.1. E-information

E-information stage involves providing information in specialized portals, electronic brochures, audio travel guides, photo albums (still images and panoramas),, real-time images or videos, and even travel diaries through blogs or specialized virtual communities, such as Virtual Tourist, and why not, the guides offered through virtual cities.

Figure 1: Example of electronic information method using www.booking.com

Source:www.booking.com

2.2. E-booking

Online bookings are mostly used in hotel area, airline and car rental services. Online booking services, as informational society services, must comply with the legal requirements which have their source in the regulations that refer to Internet services in general, and the e-commerce and distance contracting, in particular.

Figure 2: Example of electronic solving method using www.booking.com

Source:www.booking.com

2.3. Electronic payment

The consumers can use credit cards, electronic checks, digital cash or even microcash (when payments amounts are only a few cents). Many electronic payment systems on the internet are the electronic equivalent of systems used every day, such as credit cards or checks.

The effectiveness of Internet marketing can be determined pretty fast and accurate by providing statistics, obtained through online technologies, which helps to create the profile and actions of the customers, finally leading to a better knowledge and adaptation to the target's necessities.

Figure 3: Example of electronic payment method using www.booking.com

Source :www.booking.com

E-Toursim is first of all based on the distribution of information, but the main purpose is direct selling, eliminating the physical and time barriers turning to e-commerce technologies.

For example, in hotel industry we can talk about the booking methods using the functional booking systems, also about the real time booking systems. The potential of the direct sale is large, based on a series of *advantages* for the tourism suppliers, such as: automatization, eliminating the travel agents commissions, reducing the reservation costs through internet booking to the traditional methods, in the same time increasing the reservation volume due to the new access methods of the Web (PDAs, mobile phones etc.)

The benefits of e-Tourism:

➢ it is the most efficent way to communicate with target markets and disseminate the information

➢ it is a quick and easy way for the consumers to buy touristic packages

➢ it offers the opportunity to improve services to consumers

➢ keeping consumers' individual references in terms of promoting the touristic products.

➢ it reduces costs and increases the efficiency for internal functionality and procurement

➢ encourgaes the cooperation between traditional competitors by providing hypertext links. The links are cheap; there are also quick ways to increase the sites profiles and can easily pass over difficulties, by permanent updating the information at a local level.

Including links in tourism websites offer benefits to both parties, once to the users and to the service provider. The service provider can offer a greater variety of information on touristic products without inserting them in the contract, this way the user has immediate access to information and opportunity to purchase online.

The advantages of e-toursim for e-tour operators:
✓ Reducing the costs of:
➢ distribution (low cost)
➢ promotion (printed materials, brochures)
➢ communication and booking
➢ invoicing
✓ contact with potential customers anytime and anywhere in the world
✓ better understanding and knowledge of customer needs
✓ a more competitive business environment
✓ higher profits

Advantages for e-tourists:
✓ access to various tourism products without restrictions on the location
✓ the posibility to easily buy different touristic products and their prices
✓ the opportunity to buy personalized touristic products
✓ the posibility to easily communicate with the touristic services suppliers

eTourism has a few disadvantages:
➢ tension between the growing demand of personalized services tailored to individual needs and interests and the lack of willingness of consumers to release such information on the Internet
➢ choosing many customers to make complicated transactions in a "face to face" environment (e.g. large agencies placed in commercial areas)
➢ the possibility that a travel agent to be fired

The critical factors for online procurements:
✓ credibilitatea şi notorietatea web-site-ului
✓ the credibility and reputation of the web site
✓ acurateţea informaţiei
✓ the accuracy of information
✓ adaptarea tehnologiei la specificul afacerii
✓ adapting the technology to the business specific
✓ securitatea plăţii
✓ payment security

3. The behavior of e-tourist

At this moment, the tourist is at the stage where we can say that he can become a leader of the electronic commerce. The world's sales thorough Internet, grouping the purchase tickets on flights, rails and maritime, voyages purchases have registered significant increases. This growth of the online sales is justified by the huge investements and by maturation all of the actors which are offering touristic services through Internet.

In the same time, the offer adapts both from commercial, as for technical point of view. E-tourist's features have evolved as a result of maturation of purchasing behavior and confidence in payment security.

Using the market information, the consumers build their ideal images about the touristic products and the providing companies, trying to break into what today we call positioning the product or service tourism offer company.

Positioning represents an ordering of objects in a multidimensional space, the considered vectors allowing the evaluation or, where applicable, measuring by using unmetric scales or objective characteristics in disscussion and its figurative representation, to each other.

By studying *consumer's behavior* on e-tourist market it is considered, firstly, understanding the causes that lead to the necessity to adapt the request more and more mature to the characteristics of the Internet era.

Example: A study made on a sample of 1350 tourists and 1200 business travallers has lead to the following conclusions regarding the etourist's behavior:

-39% of the interviewed tourists said that using the Internet is easy and much faster in order to find the suitable product, than the services of a travel agency.

 This number shows a positive evolution of the sites after several years where the rich content of the offers allowed the tourists to rather prefer the web services than the travel agencies. The number is huge compared to the number of people connected to the internet – 58.5%.

-32% of the interviewed tourists have made a booking for a vacation through Internet in the last 12 months and 33% of them were for business. The number tourists who have booked online tourism product is impressive. *E-Toursim represents the future in the tourism area.*

It can be said that the main reason for which the tourists are using the Internet is the opportunity for tourists to obtain lower prices for flights, hotels, car rentals. The study has showed that the tourism sites offer functional services at lower prices than the travel agencies.

There are three online consumer categories:

-the infidels that are using a maximum number of sites. Their criteria are about *finding the lowest price* that matches exactly to their application and that comes with a special offer;

-*the curious* that investigate a lot of web sites and *make bookings only related to what they know best*;

-*the faithfuls* that check and *make bookings only on a single site;*

The segment of the curious and the faithfuls is based on the relation with the reference web sites that helped them to find the lowest prices using previous positive experiences.

Online agencies are the ones that less suffer because of the chronic unfaithfulness. The large range of products offered on these sites incites the Internet users to search whatever they are interested in on a single site. It is the super market voyages phenomenon.

Instead, the airlines that sell their online services, suffer from customer's infidelity and cannot compensate the promotional offers provided by points – bonus system.

The tendencies of the european e-tourists: population aging, a noticeable reduction of the families' number, sensibilisation of the tourists for the environment, a higher attention to health, for green sustainable products. There is a high sensibilisation of consumers to price, to the locations where they travel, to the using of Internet to inform themselves, to compare and to buy.

E-tourists will pay more attention to the products they are buying from the touristic market, meaning that they follow to benefit of a larger space, intimacy, personalized and quality services. They will pay more attention to the immaterial and mental in choosing destinations and products.

The consumers' expectations are multiple and various. These refer to the following points:

➢ **demand for increasing the personalized solutions** - consumer behaviour is more enterprising and accompanied by a multi-specialty consumers' expectations, the needs are directed more to a personal openness. Moving from individual to a person is the standard of customization. The bidder will not propose different products, but a product with different options, creating the possibility to the customer to establish himself a travel, based on different proposed services.

The new technologies represent a tremendous help in developing customization, because it is possible to perform computer simulations of various products. Customization involves several constraints for the bidder:

• proposing a low cost of the products and services, also board circuits to meet individual needs;

• A larger flexibility and a fexible organization to meet the needs of each consumer.

➢ **checking for global solutions** – with a promising future, the customization can be organized around an offer of goods and services associated as a bouquet of service offerings. The client does not consume a given product, but a set of products and customized services that meet a specific need.

This evolution is already noticed in the relation consumer – business in the tourism sector where tour operators and distributors propose global solutions of voyages that integrates transportation, housing, animation.

➢ **The need of "connection" –** to be permanently connected to others. The growth of the consumer's autonomy trains a permanent need to contact with other operators, the access to information and communication means constituting, in this sense, an essential aspect of their behavior. This need is translated through a massive utilisation of the new information and communication technology.

➢ **different levels of maturity depending on each country** – use of the newest technologies is rapidly growing in most of the Western countries. The USA has a great advance over Europe and Japan in terms of access and use of fixed Internet (computers), but in the mobile Internet (mobile phones) the situation is reversed.

In Europe, the rate of equipment with Internet access varies considerably from one country to another. Northern European countries are much better equipped with mobile phones and Internet access, this resulting in more mature attitudes in the use of the Internet. Southern European countries are more interested in using the Internet to inform and communicate, instead the northern parts have a more utilitarian vision of the Internet: shopping, information on products.

At this moment few information are available about the habits and needs of consumers or the professionals in the tourism sector of technological innovation. Should first "to start from the client" and not from technological advances, from the customer needs, from their wishes because the client is the one who determines the rate of diffusion.

The objective is to meet the growing needs to inform the customers, ever more demanding and more mobile, according to the "place" and "time" before, during and after their stay.

Conclusions

Conclusions that can be drawn about the e-tourism are the following:
➢ The sites offer diversified through dynamic partnerships with a large number of potential bidders;
➢ Online agencies must extend the range of services with additional products and services;
➢ The Portals must concentrate also on some aspects less known by consumers, such as weather information, atypical landscapes visits or monuments.

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THE POSSIBILITIES OF TOURISM SUSTAINABLE DEVELOPMENT IN SOUTH WEST REGION OF ROMANIA

Assoc. prof. Enea Constanța
Assoc. prof. Pociovălișteanu Diana Mihaela
"Constantin Brâncuși"University of Tg-Jiu, Romania

Abstract

Tourism activities can, in particular, degrade the social and natural wealth of a community. The intrusion of large numbers of uninformed foreigners into local social systems can undermine pre-existing social relationships and values. Sustainable tourism development requires a partnership among the stakeholders of the local tourist destination.

Keywords: sustainable development, tourism, eco-tourism

1. Sustainable development – a short overview

Sustainable development involve ethical judgements regarding what is "right" and "fair', about which people are different points of view. The sustainable development (Brundtland Commission definition) is the "ability to make development sustainable - to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs" (Our Common Future, 1980). We can see here two aspects of the development: one aspect regarding the intra-generational equity and another one regarding inter-generational equity. An "honest" approach to timelines is also essential to questions of intergenerational equity: the idea that resources, whether economic, environmental or social, should be utilized and distributed fairly across generations. No single generation should bear an undue burden. This is not only a problem of leaving a clean, healthy planet for future generations, but also concerns pressing problems like meeting the medical, financial and social needs of an ageing population. (Strange, Bayley, 2008) In nowdays, in this complex world with limited resources the main issue from the integrated view is to reconcile present and future needs.

The sustainable development is about integration: developing in a way that benefits the widest possible rage of sectors, across borders and even between generations. Our decisions should take into consideration potential impact on society, the environment and the economy, while keeping in mind that our actions will have impacts elsewhere and our actions will have an impact in the future.

We see that the economic growth alone is not enough. The economic, social and environmental aspects of any action are interconnected.

Sustainable development can be: spreading the benefits of economic growth to all citizens; turning brownfields into ecologically sound urban housing projects; increasing

educational opportunities for both girls and boys; innovating industrial processes to be more energy-efficient and less polluting; including citizens and stakeholders in policy-making processes. (Strange, Bayley, 2008)

When we talk about sustainable development we need to follow "three pillars" together: society, the economy and the environment. No matter which is the context, the basic idea is the same: people, habitants and economic systems are inter-related. We may be able to ignore that interdependence for a few years or decades, but history has show that before long we are reminded of it by some type of alarm crisis. Understanding the complex connections and interdependence of the three pillars requires some effort and the effort has to be constant.

Environment-economy interactions

The effects of economic activity on environmental dimension have long been analysed. The conclusion is that economic activities and related policies have positive and negatives effects on environmental issues and performance. Economic growth implies use of energy, of natural resources, as well as pollutant discharges and waste production. The effects on environment depend on production and consumption patterns and are influenced by the behavior of companies and the public, and not last, by government interventions. The technologies, also plays an important role in the interaction between economy and environment. Economic growth provides opportunities to finance environmental protection expenditure with potential benefits in the form of cleaner and less resource – intensive technologies and the production of environmentally friendly goods.

On the other side, the environment provides a number of productive and other services, including natural resources, while environmental policies and related instruments may have economic implications. Changes in environmental conditions affect the economy through changes in the quality and quantity of available natural resources. This is relevant for the sensitive sectors such as agriculture, forestry and tourism, but also for sectors relaying on the use of natural resources (mining sector).

Environment-social interactions

The interaction between the environment and social dimensions are complex, many of the links are obvious and have long been recognized, while other are more difficult to observe directly and need to be further explored.

Degradation of environment causes many negative social effects, including the effects on health that impose high costs on society. The provision of equitable access to the natural resources and to the environmental goods and services is an issue in the counties where are facing with problems of rural and urban poverty. The environmental policies and the related economic instruments, like taxes, prices, may have side effects that are unevenly distributed among population and income groups, including direct or indirect effects on employment.

Contrary, the social conditions and behaviors shape environmental conditions and policies. The moving of population, the changes in demographic structure (ageing, migration between and within countries), the population growth or decreases, may have major environmental consequences. Education and training, awareness and consumer habits are important elements, as are features of social organizations, institutional

arrangements and legal frameworks. The availability and access to environmental information, opportunities for participation and partnerships of individuals, companies, and the capacity to have access to courts are important preconditions for triggering integrated, proactive approaches to environmental management and sustainable development.

Economic-social interactions

The interactions between economic and social dimensions have long been recognized. Many social factors (consumer behavior and household consumption patterns, number of households, time for leisure pursuits, disposable income levels) act as driving forces behind economic growth and related sectorial trends and patterns. The provision of human inputs to economic activities is an essential element of a country's economy. The social rules, attitudes and institutions affect the market, too. Social policies and related instruments are closely interwoven with economic processes and markets.

The economic processes affect society, also, at large, providing the foundation for greater prosperity but also affecting the distribution of economic benefits between the members of the society, individuals, and hence social conditions (cohesion, equity, well-being).

The way we live now puts pressure on resources and environmental systems, so the sustainable development has become an issue of fundamental importance and urgency that requires action.

2. Sustainable tourism of South West Region of Romania

Sustainable tourism of South West Region is attempting to make as low an impact on the environment and local culture as possible, while helping to generate future employment for local people. The aim of sustainable tourism is to ensure that development brings a positive experience for local people, tourism companies and the tourists themselves. Sustainable tourism is an adopted practice in successful ecoturism.

Global economists forecast continuing international tourism growth, the amount depending on the location. As one of the world's largest and fastest growing industries, this continuous growth will place great stress on remaining biologically diverse habitats and indigenous cultures, which are often used to support mass tourism. Tourists who promote sustainable tourism are sensitive to these dangers and seek to protect tourist destinations, and to protect tourism as an industry. Sustainable tourists can reduce the impact of tourism in many ways:

• informing themselves of the culture, politics, and economy of the communities visited

• anticipating and respecting local cultures, expectations and assumptions

• contributing to intercultural understanding and tolerance

• supporting the integrity of local cultures by favoring businesses which conserve cultural heritage and traditional values

• supporting local economies by purchasing local goods and participating with small, local businesses

• conserving resources by seeking out businesses that are environmentally conscious, and by using the least possible amount of non-renewable resources.

Increasingly, destinations and tourism operations are endorsing and following "responsible tourism" as a pathway towards sustainable tourism. Responsible tourism and sustainable tourism have an identical goal, that of sustainable development.

The pillars of responsible tourism are therefore the same as those of sustainable tourism – environmental integrity, social justice and economic development. The major difference between the two is that, in responsible tourism, individuals, organizations and businesses are asked to take responsibility for their actions and the impacts of their actions. This is partly because everyone has been expecting others to behave in a sustainable manner. The emphasis on responsibility in responsible tourism means that everyone involved in tourism – government, product owners and operators, transport operators, community services, NGOs and Community / based organization CBOs tourists, local communities, industry associations – are responsible for achieving the goals of responsible tourism.

3. Conclusions

Tourism is a recognised global industry - one of the largest industries in the world. Like any global industry, tourist business activities can have considerable impact on local development trends. The local impacts of the tourism industry are diverse and are often unique to the tourism sector.

Tourist activities, as traditionally defined by the tourism industry, fundamentally involve the transportation and hosting of the tourism consumer in a local community, i.e., "tourist destination," where the tourist product is consumed. No other global industry structures itself in such a way that the consumer is brought to the product, rather than the product being delivered to the consumer in his or her own community. This structural difference produces unique social impacts upon the local tourist community, including the interruption of local customs and lifestyles, the spread of infectious diseases, changes in local demographics, and changes in local housing and labor markets.

The primary product of tourism is not something produced by the industry. The product is often the heritage, wealth, and expected legacy of the community that serves as the tourist destination. The business activity of the tourism industry is to promote the "salable" or appealing aspects of the community, transport non-residents into the community, manage the hospitality for and guide the activities of these visitors, and provide them with goods and services to purchase during their stay. If these business activities degrade the community's heritage and wealth, then the community suffers more directly than the consumer, who can return to his or her own community without responsibility for or awareness of the impacts of his tourist activities.

Tourism activities can, in particular, degrade the social and natural wealth of a community. The intrusion of large numbers of uninformed foreigners into local social systems can undermine pre-existing social relationships and values. This is particularly a problem where tourism business is centered in traditional social systems, such as isolated communities or indigenous peoples.

Tourism in natural areas, euphemistically called "eco-tourism," can be a major source of degradation of local ecological, economic and social systems. The intrusion of large numbers of foreigners with high-consumption and high-waste habits into natural

areas, or into towns with inadequate waste management infrastructure, can produce changes to those natural areas at a rate that is far greater than imposed by local residents. These tourism-related changes are particularly deleterious when local residents rely on those natural areas for their sustenance.

Resulting economic losses can encourage socially deleterious economic activities such as prostitution, crime, and migrant and child labour.

The necessary measures for sustainable tourism development in Northern Oltenia can orient on the following[1]:

- Solutions to adverse tourism impacts are to be found in the shared interest of local communities, tourism businesses, and tourism consumers to maintain the natural wealth and social heritage of the tourist destination. In the first instance, therefore, an institutional mechanism must be established, relative to each destination, to articulate and develop this sense of shared interest. To secure the legitimacy of these mechanisms, the participation of all interested local groups or interests must be guaranteed. Dialogue must take place in an open and transparent way.

- Experience demonstrates that if dialogue among interested parties is to have a real impact on development, it must generate accountability among these parties with regards to future investments, practices and policies. Consensus or decisions arising from dialogue must be reflected in institutional action. Only through such accountability can interests maintain a commitment to continued dialogue and a common agenda for local tourism development.

Experience demonstrates that this accountability should be reciprocal between individual or private interests and societal or public interests. Without such reciprocal accountability, local communities are typically forced to choose, in conflict, between private and public benefits, even if ample "win-win" development choices exist. On the one hand, accountability requires that property owners are provided with opportunity to retain the economic value of their property, either through sale or income generating activity.On the other hand, private market relationships, including property ownership, do not provide sufficient basis for social accountability related to "public goods," including ecological integrity and social heritage. Private property titles do not recognise the concepts of ecological integrity or social heritage. Excessive reliance upon private property ownership as a guide in development has in fact contributed to the deterioration of public goods.

Within such a framework of accountability, numerous instruments are available to guide local tourist development on a sustainable path. These instruments include:

- heritage preservation requirements for site developments and building designs;

- programs to exchange land and development rights from non-suitable to suitable development areas;

- private heritage and green space stewardship programs;

- tax benefits accruing to property owners exercising sustainable development practices;

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[1] Sustainable Tourism: A Local Authority Perspective prepared by the International Council for Local Environmental Initiatives (ICLEI), Department of Economic and Social Affairs, Commission on Sustainable Development, Seventh Session, 19-30 April 1999, New York

- tourism taxes and development fees to support construction and maintenance of required infrastructure.

However, without true commitment to the sustainable tourism agenda, these instruments are not themselves sufficient to prevent the steady erosion, by legally sanctioned private actions, of local natural wealth and social heritage. Therefore, support from the international, national, provincial and local levels of industry and government,

Sustainable tourism development requires a partnership among the stakeholders of the local tourist destination. This partnership must use both market and non-market instruments to

implement a shared sustainable development vision. Without such a partnership, advocacy for

sustainable development becomes a conflictive struggle between an industry which seeks to respond only to market forces and a public sector which, when accountable, acts to protect public goods and wealth for future generations.

Therefore, the key problem at this stage of the "sustainable tourism" debate is the creation of tangible, working local partnerships. These local partnerships must be encouraged and supported by national governments and industry, and not undermined by "higher level" agreements. To succeed, local residents and their local authorities need to more fully recognise the significant adverse impacts of tourism development and must be informed about opportunities for reducedimpact tourism development. Tourism businesses need to recognise and support the social conditions (e.g., security, public health) and the cultural and environmental wealth that make a community an attractive tourist destination.

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CASE STUDY USE IN UNIVERSIY CLASSES

JAMES K. McCOLLUM
University of Alabama in Huntsville

Abstract

A case study, tells a story of interactions in an organization that exists in the present time, or has existed in the past. Parts of the case may be fabricated to allow access to the problems or successes that the organization has had. Such cases have been used in university classes for more than 100 years and aid in presenting to students access to ongoing situations that show the use of theories taught in lectures and thus aid in understanding how theory relates to practice in life. Usually, there is a serious problem that students should identify and through their research be able to present solutions to the problems. In most case usage, students will be assigned to teams to work together on solutions, and then to present their solutions either orally or in writing for their professor to critique and give the students additional insight about the case. The intent of the team arrangement is to get all of the team members to work together to find a solution.

Key Words: Case Study, Case Teaching Method, Interactive Teaching & Learning

INTRODUCTION

An early book about teaching methods tells us, "It is generally believed that the case-study method was first introduced by Frederick Le Play in 1828 as a handmaiden to statistics in his studies of family budgets (Les Ouvriers Europeens). From that beginning, the case study method spread to many disciplines: Medicine, Psychology. Sociology, Business Management, Public Administration, Tourism, Military Campaigns, and many others. Using cases did not negate the use of theory in the classroom, but fortified it by showing how proper use of theory or non-use of theory affects live organizations. In fact, Eisenhardt determined that new theories can be created from case studies,

Case studies analyze persons, events, decisions, projects, institutions and/or systems to determine reasons for poor performance or excellent performance, In studying them, students can learn of best practices or practices to avoid in similar circumstances, The findings may not be universally applied, but they give indications of actions to avoid or emulate in similar cicumstances,

One of the well known advocates of using case studies is the Harvard Business School. When the program began in the early 20th century, its faculty realized that there were no textbooks available for a graduate program in business. It solicited cases from leading business practitioners such as Chester Barnard (AT&T) and Elton Mayo (Western Electric) to provide actual research in organizations that could be written as cases. Since that beginning, the Harvard Business Schools's graduate program is heavily oriented toward large cases of 30 pages or more that teams of students study and analyze to

establish team solutions to problems uncovered in their research on the case. The cases are assigned for weeks in advance of the time for the team's presentation of solutions to problems, or praises discovered for good performance by the organization under study. Students, of course, utilize the theories they have learned when they are assigned to such a case.

One of the Harvard Business School's most revered professors, Dr. Paul Lawrence stated, "Case Studies present realistic situations, allowing students to balance theory with practices." This endorsement is found in Laurence's *Writing Case Studies: A Manual.*

Another champion, Dr. Hans Klein, former president of the World Association for Case Method Research and Application, has written, "During the past 30 years, the case method has enjoyed a steady and continuing increase in popularity and use. For example, applications in the field of education have increased…The international Association for Management Education, the American Accounting Association and many leaders in university-level business education encourage the use of the case method and other interactive techniques to more effectively reach students, especially undergraduate accounting students."

Case studies can vary in length and complexity depending upon the instructor's goals. They can be short (one or two pages) or long (20 or more pages). They can be lecture based or discussion based. They can be real with all detail obtained from oganizations or partially fabricated by the author. They can require students to examine multiple aspect of a problem or only a single problem. They can require students to propose a solution to the case or simply identify the contributing problems (Eberly Center)

CASE STUDIES IN ACTION

In teaching both graduate and undergraduate students, I have frequently used case studies. When I was teaching Strategic Management to graduate students, I used large cases of twenty or more pages with the expectation of more depth in the analysis made by student teams. In teaching some undergraduate classes, I have used much shorter cases in which it is fairly easy to identify the problem to be solved and the student teams have a shorter time to meet and come up with their solution. In doing so, I usually am able to get the student teams to handle two or more cases in a semester and thus give them a somewhat broader experience of coming up with case solutions. In all instances, there is the requirement for all members of the team analyzing a case meet with the other team members to contribute to the solution and participate in the oral discussion of the teams findings..

Unfortunately, some team members try to avoid contributing and simply want to use the information that other team members have discovered. They are cheating themselves of an important learning opportunity and if I find out this was done, they also get a much lower grade than those who did the work in analyzing the case. It usually is difficult to determine if this has happened unless the instructor has the team members evaluate each other's contributions. I always did that when teaching strategic management cases.

In accordance with recommendations of our alumni and business community, we have been asked to give the students experience in working in groups and speaking "on

their feet." To meet with this desire, I make the requirement that each team member orally present a portion of the analysis and solution to each case. To do this effectively, I recommend that students practice their delivery before their team members before they come to class and make their presentations before the professor and students. I encourage them to make their analysis with emphasis that will show that they are convinced that they believe their solution is the right one. Even if they are not exactly right, their fervent presentation will get them praise from me and probably bring about a heated discussion among the class members. This is a desired result from the case discussion; other students who didn't study the case will want to make comments and express opinions about the case,

Again, unfortunately, I have sometimes found that some students, for one reason or another, will ask team members who analyzed the case to write out a paragraph that they can read when their part of the case discussion takes place. It is with sorrow that I tell them that they have cheated on themselves and lowered the grade they could have made.

An overall written analysis is often required for large cases, but it is difficult to determine which team members wrote the written analysis. In some instances, the findings in the written analysis depart from what the students present orally. Because of this eventuality, the professor should get the written analysis in advance to be able to challenge the team about the varied findings. Short cases may not require a written analysis.

RECOMENDED STEPS IN CASE USE

While admitting that there are many variations in the use of case studies, the Eberly Center at Carnegie Mellon University has a six step format that seems very practical:

1. Give students ample time to read and think about the case.
2. Introduce the case briefly when you assign it and give some guidelines for analysis.
3. Create groups and monitor them to make sure everyone is involved.
4. Have groups present their solutions/reasoning. If a solution is required, make sure the responsible group makes a decision rather than talking only "about" the problem.
5. Ask questions for clarification and ask other class members to ask questions.
6. Synthesize the issues raised and come to a consensus as to what should be done.

CONCLUSIONS

Having used the case method of teaching for several years, I have become convinced that it is a good method, and maybe the best method for teaching some lessons in business management and probably in many other disciplines. I have used it in universities where it was never used before and students have voluntarily told me that they greatly enjoy studying using case studies and will retain more from the cases than the teaching from pure theory classes. Other professors may still prefer the use of theory to cases that illuminate practice and they are probably correct for many subjects. For my subjects in general management and project management, I find the case study method superior after the students have been exposed to enough theory that they can understand the problems and opportunities they are seeing in the cases they study.

For longer cases, the teams are required to present a written analysis in addition to the oral analysis. Both are beneficial in the learning process, but only in the oral presentations of individuals can it be seen how much they have ingested in studying the case.

There are several professional organizations that solicit cases for presentation at meetings. I have included some of my cases that were published either in symposia proceedings or professional journals. Thus new cases may be of interest to other professors and used in their classes.

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THE ROLE OF INTERNATIONAL ORGANIZATIONS IN THE GLOBAL ECONOMIC GOVERNANCE – AN ASSESSMENT

Sterian Maria Gabriela

Abstract

The challenge of international organizations and their role in the global economy remains in the midst of global economic governance approach, although it seemed utopian at first and regarded as too ambitious in redefining the international system. This paper aims to underline and reasess the role of international organizations in the new paradigm of global economic governance. The approach is a more theoretical one, with emphasis on results and future research. The key results are related to some aspects of redefining the global economic governance in terms of international organizations. The main added value is the pragmatic approach of the role of international organizations and its formal relationship with the global economic governance.

INTRODUCTION

Over the last two decades, the international community has increasingly become so interconnected and interdependent due to the rapid progress in technology and the development of economic integration processes.

The recent economic crisis has revealed the weaknesses and shortages of cooperation in the global economy and only the diplomatic consensus has led to the adoption of urgent solutions. But as the global economy seems to be out of recession, at least in certain parts of the world, states have begun to focus on fiscal and social policies in order to overcome the continuing effects of the crisis, and the desire to improve cooperation relationships and global economic governance seems to be in decline.

The international community has paid a very high price for satisfying itself with the financial and macroeconomic risks as advertised, but the economic risks seem to multiply every day waiting for proactive answers. But how can global governance be redesigned in terms of architecture without taking into account the critical role of international organizations? When states were dominant actors on the international stage and major policy decisions were taken by only a few of them, the progresses in international cooperation tended to be quantified through creating new institutions and intergovernmental organizations.

But the current problems show that efforts to strengthen international cooperation should focus on creating new institutions and international rules, to modernizing the existing for a greater integration of governmental framework in policy decisions.

The article tries to highlight the main elements that define the current role of international organizations in global economic governance, the change of paradigm and the concept of legitimacy in international relations.

The second part of this article presents some elements of defining the international organizations, a brief history of the modern economic system, the paradigmatic role of international organizations in the current global economic governance and addressing the concept of legitimacy in the actual configuration of international relations.

The third part of this article attempts to highlight some elements that draw new paradigm of global economic governance, with subjects as multilateral agreements, voting system or leadership, as well as some international proposals to emphasize the awareness of economic system to current challenges and opportunities.

INTERNATIONAL ORGANIZATIONS – GENERAL VIEW

International organizations are important actors in the critical episodes of international politics, with power in mediation, dispute resolution, peace keeping, applying sanctions and others. They also help in managing various key areas of international concern, from global health policy to the monetary policies around the world (Abbott and Snidal, 1998).

An international organizations can be defined as 'an institutional agreement between members of an international system in order to achieve objectives according to systemic conditions, reflecting attributes, aspirations and concerns of its members' (Hanrieder, 1966). And what gives the basic rule of them is the sovereignty of the nation-state (Barkin and Cronin, 2009).

In terms of the concept of global governance promoted by the international organizations, this was originally based on raw power, but has evolved to legitimacy and customs (Keohane and Nye, 2001).

Brief History of the System

Modern international system has three main architectural features, built in overlapping phases over time. The first stage concerns the definition of the state as a primary tool of decision in international relations. The Treaty of Westphalia in 1648 established peace in Europe after decades of conflicts and bloody wars. Then it was set up the basis of global dialogue based on national sovereignty, each territory seeking political solutions to their religious problems. But the nation-state was consolidated as an expression of sovereignty in the 19th century and defined as an important actor in global policy-making process that took place in the 20th century.

The second stage refers to the agreements between states. This development is associated with the Congress of Vienna in 1815, where European powers negotiated the end of two decades of war and redrawn the political map of the continent. The agreements signed during Cold War and even today, are considered to be projections of diplomatic consensus that stabilized Europe in the 19th century.

The third stage consists of the architecture of multilateral system, having in its core the United Nations. Built largely in the period after the Second World War, it has antecedents in the postwar period by creating the League of Nations and the International Labor Organization. Conferences at Bretton Woods, Dumbarton Oaks or San Francisco developed plans for building a wide range of universal rules and specialized institutions in order to promote international cooperation in economic, political and security areas.

These three main elements of the system will remain important pillars of international relations for a long period of time. But many scholars consider them to be exceeded in the whole series of economic, political, technological and social changes, which often led to debates on the legitimacy and efficiency in decision making process at international level.

During the last six decades, international organizations have extended and reviewing their mandates and objectives, reaching the global level through the number of members, thus being among the favorite subjects of criticism for accelerating the globalization, failure of their missions or superficial supervision and liberalization of international trade by providing the framework for the negotiations and formalizing trade agreements (Zohal, 2011).

After the Cold War, the institutions of global economic governance have become the favorite subject of criticism. While globalizations and systemic risk awareness led to the need for global governance, the form it took it is no longer adequate to the current challenges, which goes to an increasing sentiment of dissatisfaction about the multilateral order, and then to the crisis of multilateralism. The favorable global institutions do not work either individually or collectively (McGrew, 2011).

Paradigmatic Role of International Organizations

But why states use international organizations as engines for cooperation? Some issues are raised by their structure and operations, and also by international relations theories involving these complex phenomena. The independence of these organizations depends on states, because they can limit or extend their autonomy, interfering in their activity, restructure or dissolve them. They sometimes collide with the sovereignty of the state when they create new structures for regulating cross-border relationships.

One of the main reasons why states want to establish or participate as members of international organizations is related to the fact that they delegate authority in matters that require expertise, knowledge, information, time and resources that are not available at all times (Wouters and de Man, 2009).

As we know them today, international organizations can be a complement to national prevailing paradigm, being an expression of denationalization policies (Zürn, 2004). And this is an evident fact by supranational and transnational characteristics of undermining national decisions, using the principle of international cooperation. But the politicization of these decisions brings again into question their need for legitimacy.

Two very important features make the difference between international organizations and other type of organizations: centralizations of power and decision-making autonomy. Both have political effects beyond the simple effectiveness of the already taken decisions, because they resemble so much with governments or private companies. International organizations carry out actions that enjoy a sort of legitimacy and affect the legitimacy of the state activity. Even centralization may alter the perceptions of the states in the context of complex interactions between them (Ostrom, 1990).

The centralization outlines the political context of interactions between states. International organizations provide forums for neutral, depoliticized and specific discussions in a much more effective way than any other agreements. They outline the specific terms of the ongoing interactions between states and try balancing the relationships between stronger and weaker states, between interests and knowledge.

The organizational structure influences the evolution of interstate cooperation and adapts itself to specific circumstances. Most organizations perform functions to support cooperation between conferences dealing with very important issues, as well as implementing a set of regulations (Williamson, 1985). International standards can be addressed as expectations of head of states about international relations.

The Legitimacy of International Organizations

Legitimacy, as concept, was an integral part of political thought for a long time, but only recently has come to the attention of specialists in international relations (Mulligan, 2006). International specialty literature addresses legitimacy as being related to certain criteria that confer continuity and trust.

Some well-known researchers say that international organizations seek to establish solid connections between their activities and social values system to which they belong, this links representing their legitimacy (Dowling and Pfeffer, 1975, Buchanan and Keohane, 2006). Others say that legitimacy lies in the means by which to achieve the specific goal (Lawrence, 2008). What is clear is the fact that most researchers have concluded upon the legitimacy problems that international organizations face as threatening the global economic balance, along with other crucial elements (Clark, 2003). When concerns about legitimacy decrease, the system itself is flawed and solutions must be found really quickly.

International organizations participate as independent and neutral actors on the global stage and can transform the relationships between states, increasing the efficiency and legitimacy of their individual or collective decisions. This feature requires the short or long term balanced actions depending on the interest of both sides: powerful states will not join any organization they cannot influence and small countries will not join any organization whose decisions undermine their sovereignty (Bradford and Linn, 2007).

Authoritarian states are reluctant to allow international organizations in taking decisions for them, decisions that interfere with their national policies. And with the ones which are undemocratic and unstable and tend to limit the presence of organizations within their territory, states can even be against their participation in global economic governance. Global governance is strengthened only if it fits the internal profile of dominant countries (Cowhey, 1993).

The main attributes of international organizations continue to be in the first line for facilitating negotiations and implementing agreements, dispute resolution, offering technical assistance and developing rules. But the most important thing remains their neutrality, impartiality and independence (Griffin, 2003). Neutrality enables organizations to act as mediators between states and to implement their decisions. Impartiality resides on the fact that neither part is favored whatever the subject is. And independence resides on the fact that international organizations can take decisions for themselves.

It is undeniable that international organizations can take decisions that bind on member states through predictable mechanism and pursuing their interests (Wouters and de Man, 2009).

Decision-making processes vary between consensus, vote and unanimous vote. The most common form of decision-making is consensus, involving further discussions to reach general agreement rather than forcing the decision by voting process. While the member states have certain reservations about the discussions or negotiations, they are

forced to make concessions to each other in order to reach an agreement. If consensus cannot be reached, the last resort is unanimous voting or qualified majority voting.

There is a gap between demand, responsibility and jurisdiction of global governance and its institutional capacity to take decisions and implement effective solutions for global problems. This is associated with diminishing expectations that global institutions seem to reach and political demands are addressed, in part because of the lack of resources and because governments cannot deliver properly their institutional capacity (Moravcsik, 2004, Bradford and Linn, 2007).

Most global institutions are unable to take a firm decision and hence the exiting pressing problems, as climate change or financial system reform, that face failure in advancing collective actions. These systemic failures lead to widening the disparities between promised collective actions and what really comes, being clear the limited progress of submission of the Millennium Development Goals.

These deficiencies in the legitimacy and effectiveness exacerbate each other. The countries feel more and more disconnected from international institutions, greater being the tendency to invest in institutions to be successful. The international system needs structural renovation to allow adapting to a global community that is different from the last century existing one.

This problem of legitimacy reveals the question whether legislation as a whole may be able to solve the fundamental dilemma of global capitalism (Tshuma, 2000). And the crises of legitimacy can be solved only through reconciliation and communication (Reus-Smith, 2007). Research must continue in defining efficiently the concept of legitimacy and how this can be relevant in terms of its implications (Mulligan, 2006).

CRITICIZING INTERNATIONAL ORGANIZATIONS

Most of the current discussions about international organizations refer to the legitimacy and effectiveness of the decisions (Ziegler and Bonzon, 2007). The problem of legitimacy is directly related to the influence of the international organizations and often to state sovereignty. The principle of consensual decision-making is the main subject of critics, being argued that they shall be made only at formal level and must reflect the power relations between states, taking the form of a weighted voting under major interests. Informal practices that lead to decision involve the emergence of some specific groups with some sort of composition, who deliberately exclude other countries (Kim, 2009).

The principle of consensus practiced within the international organization has always meant that all parties have to agree upon a specific issue, but in practice tis voting system can be hidden; reality proves that the voting share of wealthier countries is more important than of poorer countries (Low, 2011).

For historical reasons, many being highly criticized by the developing world, the system is tilted in favor of the rich and powerful countries. For example, whenever developing countries have the chance to gain from free trade, they have confronted quotas or voluntary export restrictions, dumping, safeguards or other forms of limitations. Moreover, instead focus on enhancing consumer welfare, the trading system strongly supports manufacturers or exporters, leading to protectionism. Much of the criticism results from the perception that trade was raised to a very high rank, while other values were slaughtered (Guzman, 2004).

Despite differences of perspectives, critics and supporters agree that international cooperation is needed to tackle with trade and non-trade issues, such as the environmental problems, intellectual property, investments, health, international finances, modern industrialization, crises and so on.

The isolationist approach of most of the international organizations ignores the wishes of member countries, conclude with building different kind of agreements in their detriment, this resulting in rules and norms that rule out concern and wishes to correct the failures of environmental or social issues. We cannot speak about coordination as long as rules always prevail over other agreements and hold the monopoly on international cooperation (Pauwelyn, 2005).

Many countries feel excluded or left behind by the decisions of the international organizations and for the most of the poor countries, participation in the international system remains a distant dream. For example, the international trade system is perceived as a fortress, all the discussions being held behind closed doors and favoring the powerful producers and exporters. The international organizations are seen as closed systems and those who are within those are bounded to their commitments taken in "packages", with no way out or a way to comment upon them, because of the economic reality or simply because of an implementation mechanism more and more strict. And this results in the lack of legitimacy, poor support and a lack of loyalty to the values that underline the system itself (Sutherland and all, 2004).

Most of the critics relate easily to the existing democratic deficit within the international organizations (Elsig, 2007). Unlike the early period of their existence, the lack of legitimacy of these organizations is no longer offset by progress towards globalization. Cooperation in an anarchic era seemed easier than nowadays, in an environment governed by rules and procedures. Increased political participation and the insistence of the members to veto decisions becomes suffocating in further liberalization and increased welfare, but also in preventing the adoption of the reforms needed to balance the system and being in favor of developing countries.

The international organizations have changed the nature, purpose and structure of the multilateralism and globalization. They have become the main target of the lobby groups and civil society, fact which led to excessive politicization (Mercurio, 2007). Critics say that the big number of members do not easily allow the organization to reach a consensus or to effectively address the burning issues of the 21st century, this leading to blockages and disagreements during negotiations (Sun, 2011).

THE NEW PARADIGM OF GLOBAL ECONOMIC GOVERNANCE

The recent problems that international system have been faced led to the need in addressing the dilemma related to international agreements and institutions, whether they are viable and meet the needs of the 21st century (Stiglitz, 1999).

Researchers say that we have been facing a real paradox in the approach to this new paradigm of global economic governance: the more seriously we take the concept of global economic governance, the more all its substance runs away and begins to contradict the general knowledge (Smouts, 2002). We live a moment of reaffirmation of a known and long analyzed issue: international organizations face the tensions between different point of views about what rules, norms and procedures seem to be fair in the context of global decision-making process (Franceschet, 2002).

Strengthening the international cooperation and governance is not about just institutional arrangements and incentives. The focus is also on values. The international system must be redefined not only in terms of institutional architecture, but also in terms of social architecture, social institutions having the potential to inspire consistent values for an increasingly independent society.

The voting system and the leadership of key institutions must be adapted appropriately with the increase of emerging powers. The world population is getting more informed about international challenges, and it becomes even more aware about the fact that the most important priorities are translated into immediate actions.

In the same time, the proliferation of influential actors has complicated efforts in achieving a multilateral agreement even in areas already discussed about, leading to the conclusion that interdependence has not only led to increasing political challenges, but also in delivering effective international cooperation. In particular, the structural deficiencies of these actors have revealed also limitations in transparency and consistency of decision-making process.

Every architectural innovation starts from some basic principles in order to be ensured as the fundamental interests of maintaining the system. Fortunately, the proposals for reform of global economic governance remain valid and do not require major changes.

Global Economic Forum provided public reports that list some proposals on redefining global economic governance to the current challenges of the global economy that are worthy to be taken into account (WEF, 2010): redefining the international system according to the multiple faces of governmental cooperation; strengthening the role of states as basis in decision-making process, while the geometry of cooperation itself takes into account the nongovernmental organizations; the implementation of this geometry in a pragmatic way, result oriented, for accelerating the progress of individual and global challenges; specific initiatives to enhance legitimacy, participations and responsibility of the state centered system; extending the international cooperation through value exchange, with profound implications on global objectives.

The renovation of the international system in the ways proposed above would allow the international community to accelerate progress in individual and global challenges. By increasing the interaction between international organizations and civil society (Schwab, 2008), personal and professional responsibility is going to grow in the international system, being one of the key elements of strengthening the international cooperation.

CONCLUSION

Changes and challenges in the current global economic governance are extremely diverse and they rapidly change on the international arena. The challenge of international organizations and their role in the global economy remains in the midst of global economic governance approach, although it seemed utopian at first and regarded as too ambitious in redefining the international system.

A fundamental reorganization of the international system was not fair and everyone looks blown if this change will be unnoticed or will cause geopolitical pressures. In terms of prior work, it has been previously tried to emphasizing the concepts already by known researchers in the field. The approach is a more theoretical one, with emphasis on results and future research.

The key results are related to some aspects of redefining the global economic governance in terms of international organizations. The implications are varied in terms of studying the concepts and address researchers in the field.

The main added value is the pragmatic approach of the role of international organizations and its formal relationship with the global economic governance.

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THE CHALLENGES OF TOUR OPERATORS FACING THE PROMOTION OF ROMANIAN DESTINATIONS

Dridea Catrinel Raluca, Romanian American University[1],
Telephone: 0769.694.561
E-mail: dridea.catrinel.raluca@profesor.rau.ro
Sztruten Gina Gilet, Romanian American University[2]
Murgoci Cristiana Stefania, Romanian American University[3]

Abstract

The development of tourism has been influenced by the general breakthrough in engineering, technology, and telecommunication and so on. As a result, the tourism activity has permanently adapted to different stimuli, such aspects determining major challenges for all its participants.

This paper underlines the main aspects regarding the realities and trends of the tourism environment, focusing on the major changes in consumers' purchasing habits. In addition an analysis is made regarding tour operators' challenges and opportunities on their quest for meeting and satisfying the consumers' demands and maintaining a competitive position on international markets, in the Romanian tourism context.

Key words: tourism, tour operators, challenges, offer segmentation

1. Introduction

Tourism has evolved to be one of the fastest growing industries due to its importance on multiple levels, such as, economic, political, cultural, social etc. This has led to an increasing effort for destinations and specific organizations in order to provide high quality services for the experienced consumers. More than that, each of the tourism sectors was organized to match the market realities and necessities. The accommodation, the food and beverage, the transport and the leisure segments have undergone changes that translated into an increase of the number of arrivals and revenues for all the destinations committed.

Nevertheless, the process of continuing adaptation has been confronted by numerous challenges that consist mainly in: changes of tourist's behavior, globalization, economic crisis, and therefore the purchasing power decline, quality of life, new technologies used, sustainable development initiatives, competitive factors for destinations etc. All of these must be taken into consideration in designing and selling the tourism

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[1]Address: 303 Mihai Bravu Street, bl. 18 A, ap 54, Bucharest, Romania
[2] Address: 155 Calea Victoriei, bl. D1, ap. 23, Bucharest, Romania
[3]Address: 12 Doamna Elena Street, Bucharest, Romania

products, representing a concern of the local and national authorities, firms and more important, the tour operators.

Worldwide tour operators are facing the variation of tourism circulation, consumers' preferences and the impact on local population in accordance with the need to offer new and interesting products, which set them apart from the competitors.

2. Realities and trends of tourism environment

The tourism industry has shifted from a traditional approach to a new and innovative one, representing a continued process of changing the dynamic and structure of tourism activities. The new environment places tourists' needs and wants in the center of preoccupations, concentrating on the most important actor, the consumer.

In this context, each organization must reconsider the importance of tourism trends and provide offers characterized by variety and novelty and to facilitate an easy and prompt access to these. (as shown in table1).

A sum of the major tendencies, regarding the tourism, generated a response in the costumers' opinion towards their choice. On one hand, tourists are becoming more experienced; their options are more various; on the other hand this is the result of the general development of tourism and the way it's perceived, transcending from the point of view of luxury to need.

Many factors are favoring the blooming of the industry: globalization increased the competitivity degree; easy access to all kind of information; internet and on-line services; low cost air transport, the intensive promotion of different services etc. are just a few of the most important aspects. Hence, it shouldn't be ignored the negative influence of economic crisis, the degradation of the environment as a direct consequence of tourism, terrorism and others.

The interdependencies between the technology developments, particularly the IT and the modernization of consumers' behavior about tourism can be explained, on one hand by the necessity to change following the various technical opportunities; on the other hand the increased research and innovation initiative of organizations is rooted to the global changes in general, but also in consumers' new buying behavior.

The general trends of tourism have imprinted on the modern tourist eager for true experience, new and interesting services, destinations or forms of tourism, converting to a high maintenance consumers. The exigent tourist represents the topmost challenge for all tourism organizations as his requests lead to a reorientation of tourism circulation and the selection of destinations, with the noticeable result of the long haul ones.

Changing tourism environment
Table 1

Transforming from	to
Traditional trips	New type of trips
Traditional destinations	New destinations
Classic Products	New products
Extensive tourism development,	New development strategies

Centralized state control	Community control
Unrealistic financial optimism	Financial realism
Passive consumers	Interactive consumers
Functional technology	Creative technology
Mass market	Specialized segments
Mass marketing	Direct communication to consumers

Source: adaptation from C. Cristureanu, *Strategii și tranzacții în turismul internațional*, Editura C.H., Beck, București, 2006, p.195;

A brief review of tourism destinations and their positioning among consumers preferences provide an interesting perspective, underlining the concerns for innovative products and services in order to differentiate and create a unique experience.

The European continent is in the lead in relation to the international tourist arrivals for 2012 (534.2 mil.), followed by Asia-Pacific region (233.6 mil), Americas (163.1mil.), Africa (52.4 mil) and Middle East (52 mil) [UNWTO Tourism Highlights 2013]. All regions find themselves on in a continuous growth, with high expectations from the Asian destinations due in part to the amount of infrastructure developed and services offered and to the large addressability in the eyes of the final consumer and the ability to provide new and sophisticated experiences. Despite the strong effects of economic crisis, the international tourist arrivals have registered a positive trend, with few exceptions. The hierarchy suggests not only the attractiveness level of destinations or the notoriety of them, but also their initiative to meet the modern tourists' expectations. The traditional destinations with particularities like cultural, the "sea, sun, sand" offers, or well-known forms of tourism are constantly conducting actions regarding the products offered translating into new forms of tourism, new leisure infrastructure and services, active components rather than passive ones, themed vacations or emerging destinations.

A global analysis of tourism segments presents an optimistic view over the year to come [European Travel Commission - tourism trends 2013]:

The air transport presents a growth trend, as predicted in the final months of 2012, but in a slow way, with major variations for regions, specifying, for instance, that the long haul travel regarding Europe and Asia market are expected to maintain a positive evolution. The beginning of 2013 underlines the constantly growth of Middle East with significant seat capacity for local and transit demand, followed closely by Latin America.

Based on the revenue passenger kilometers of 4.3% growth, at a global level for the early 2013, the estimations are on a positive trajectory, even though the increase inclines to be smaller than the previous years.

The accommodation trend shows a small growth in regard to the occupancy rate, similarly to Middle East and Latin America positive outcome, with stronger room demand thanks to local markets. On a general analysis, more countries reflect an increase in the occupancy rate; there is as well, the concern of the room rate growth despite the lower occupancy for a number of European countries.

The overall conclusion sketches a positive picture for tourism, with higher evolution for some destinations, facing a positive outlook, despite the fact of the lower growth rate than the previous years

The travel trends of 2012 are sustaining *the complex services and innovative infrastructure* [World Travel Market – global trends report and Euro Monitor International]:

o The European continent is focusing on the leisure tourism, especially the shopping activities from BRIC- Brazil, Russia, India and China- visitors. Paris, followed by London, Frankfurt, Milan and Madrid are the main attraction points identifying their notoriety with the leisure shopping. The niche market of shopping will generate the abundance of tailor made trips;

o Shopping is also an important concern for Middle East, as hotels are included inside malls rather than to be in the proximity of their establishments. Major shopping malls are under development in UAE, Qatar, Lebanon and Egypt, providing a complex experience similar to resorts;

o African tourism is concentrating on the leisure experience like movie industry, Nollywood (Nigeria) been the second largest film industry after Bollywood, in terms of volume, out ranking the famous Hollywood. The great interest lead to hotel groups openings, such as Hilton, Accor, Intercontinental, Sheraton etc. and encouraged the development of air transport, especially the low cost segment;

o Beside the great evolution of the tourism industry in Asia, remarkable by the outstanding infrastructure and proper services, there are noticeable luxury brands initiatives for hotel development. Car brands are extending their image in well-known destinations of Asia, for instance China (finds itself on top five destinations worldwide, regarding the tourist arrivals and revenue) followed by fashion brands and others that are designing the same ideas;

o An overview of tourism destinations, as shown in this report, accentuates the importance undertaken by emerging destinations (a continuation of the latest trend) and as for tourism sectors, shopping and medical forms are the most appealing, also cruise and spa are expecting to register a positive evolution;

Taking into consideration the most important trends, *the role of leisure activities* and infrastructure for the development and diversification of tourism services can be clearly seen. Destinations have invested in providing leisure services that offer a different perspective over the tourism, new forms of spending free time and overall a new image on global market. The future of tourism is strictly related to the level of attractiveness perceived by tourists and therefore by the ability of organizations to include varieties of leisure services and permanently create brand new experiences.

A related topic is the *airports as destinations* [Shift travel IQ Publication, 2013] that represent an adaptation of their general objective toward new modalities to cater for tourists, changing the way it's perceived, from a place to go to a place to stay and enjoy a multitude of facilities. In addition to the comfort ones – easy control initiatives, larger and greener spaces, food courts etc., the shopping activities are more and more mall like components.

Other significant trends turn to *offer segmentation*, with an accent on leisure activities [ITB World Travel Trends Report 2012/2013]: the need for individual travel experiences, with major implication of tourists' decisions and in compliance with the usage of modern technology; increased interest for authentic destinations and establish better connections

with the local communities; further development tourism forms such as adventure travel, or medical travel; these are among the most important concerns for future travel. It is interesting to notice the change in tourists' behavior towards an authentic travel destination, which offers true experience, especially since the artificial environment had gained a top rank in their options. Well known destinations have improved their offer by combining the traditional forms of tourism practiced with new and artificial infrastructure in order to extend the amount of tourism services and become more interesting for a large spectrum of consumers.

Turning towards nature based destinations sets apart the flexible consumers' habits, always seeking to spent enjoyable time in a different perspective. This trend coexists with the one related to the artificial facilities, taking into consideration the importance of the offer segmentation, especially since the delimitations are increasingly clear.

Along with the segmentation of the offer, some destinations have developed intensive actions to restructure the tourism activities determining conversions from a specific area to a specific tourism objective. These are the case of amusement parks, famous restaurants, major shopping galleries, malls etc.

Culinary tourism, for instance attracts tourists looking to enhance their experience by concentrating on international particularities of famous food and beverage regions, for example Thai food, Mexican, Indian and others. Many tourists are focusing on famous restaurants, themselves as destinations, like Michelin three star restaurants that are spread around the globe, Belgium, Hong Kong, Macao, France, Germany, Japan, Spain [Wikipedia].

The segment of adventure travel has been increasing as many vacations are focusing on different adventure activities. *Adventure Tourism Market Study 2013* realized by the Adventure Travel and Trade Association and George Washington University, USA present the importance of adventure tourism, with particularity of the adventure tourists in comparison to non-adventure ones. The adventure tourism followers are orientated to a large spectrum of activities, from the soft side to the hard one, with the recognition of the necessity of specific gear and the higher degree of interest in selecting the service packages. As study shows, these are more likely to use professional services such as: tour operator concealing, guides, instructors etc. aiming toward vacations providing special destinations (landscapes) and activities that nature has to offer, rather than the options of the non-adventure travelers.

The increasing number of demands is considered to be a result of the many tourists' behavior changes expression the necessity to shift from the spectator point of view to the actor one, from a passive to active role. As has been stated before, the major concerns of tourism organizations and especially the tour operators concentrate on the new and modern tourists and their high maintenance character.

The proclivity to nature based activities has its roots on the ascending preoccupation of tourists towards the environment. Eco products are becoming more and more attractive as a fruit of the awareness actions about the sustainable tourism perspectives. Choosing ecofriendly services, tourists are more involved in sustainable development of destinations providing an important stimulation of local entrepreneurs, fructifying cultural traditions.

The modern tourist makes the transition from the classical on focused on mass products, organized programs in delimitated seasons, with specific routine activities, with a high degree of sensibility to incomes and prices modifications etc. to a whole new experience, with a great variety of unpremeditated activities.

The eco conscience tourists are also choosing products and service providers that embrace the ecological responsibility, determining a special interest of organizations, for instance the eco-management practices for hotels, green hotels and other similar initiatives. The concerns of organizations for green services complete the perceptions of tourists in their options for traditional destinations becoming a current trend for the modern and experienced tourists. As follows, a sum of characteristics of the major tourist types is presented (table 2).

Major characteristics of modern tourist

Table 2.

Responsible consumer
Sensitive to local culture
Aware of social problems
Discernment
Informed about environmental issues
Preference for spontaneous and flexible itineraries
Carefully evaluator in advance of tourism products
Meaningful and authentic experiences seeker
Desire to have a positive impact on the destination
Driven by the desire for self-fulfillment and knowledge
Seeker of challenging mental and psychical experiences

Source: adaptation from David B. Weaver, *Tourism Management*, Third Edition, Published by John Wiley&Sons Australia, 2006;

3. Tour operators' perspectives for the promotion of Romanian destinations

The varied tourism potential of Romania determines the practice of different forms of tourism offering large perspectives for holidays, for all types of consumers. Based on traditional forms of tourism and also new and modern ones, Romanian destinations cater for sophisticated requirements of the connoisseur tourists.

Romanian tourism activity has focused on a few of the most well-known destinations, to the detriment of some particular areas little exploited. More than that, the promoting strategy has failed to increase, in a large number, the tourists' circulation, especially the foreign ones. Even thou, more and more initiatives have been taken to develop and modernize the infrastructure for tourism and the related services, there are concerns in regard to the attractiveness of destinations for the foreign tourists.

The table below shows a general image of arrivals, both Romanian and foreign tourists, in the main regions, for 2010-2012. The analysis of this underlines the importance of specific destinations for tourists and the evolution of tourism circulation generating the possibility to identify to attractiveness of Romanian destinations.

National and international tourist arrivals

Table.3 thousand tourists

	2010		2011		2012	
	Romanian	Foreign	Romanian	Foreign	Romanian	Foreign
Seaside	**671.1**	**31.3**	**706.8**	**28.9**	**767.8**	**36.3**
$I_{n/0}$	-	-	105.3	0.9	114.4	115.9
Spas	**546.06**	**22.1**	**662.4**	**26,7**	**666.6**	**29.4**
$I_{n/0}$	-	-	121.3	120,8	122.07	133.03
Mountain resorts	**728.3**	**86.6**	**865.08**	**97.3**	**1,007.7**	**113.4**
$I_{n/0}$	-	-	118.07	112.3	138.3	130.9
Danube Delta	**54.2**	**14.2**	**58.5**	**23.01**	**56.7**	**31.2**
$I_{n/0}$	-	-	107.9	162	104.6	219.6
Bucharest and other county capital cities	**1,964.4**	**1,047.2**	**2,364.8**	**1,176.5**	**2,555.4**	**1,261.4**
$I_{n/0}$	-	-	120.3	112.3	130.08	120.4
Other localities and touristic routes	**762.1**	**144.6**	**857.03**	**164.1**	**975.5**	**104.3**
$I_{n/0}$	-	-	112.4	113.4	128.01	0.72

Source: Romanian Tourism Statistical Abstract, ISSN 1224-2950, 2011, 2012, 2013;

A brief review presents an increase of Romanian tourists' arrivals for all destinations and also the ranking of their options, such as: Bucharest and other country capital cities are top of the list, taking into consideration the large share of traditional forms of tourism, for instance the cultural one, and the business tourism that usually takes place in major cities; mountain resorts are the most appealing destinations for tourists as it encompass a large number of leisure activities (in particular sports activities) with high practice in the two major seasons; seaside resorts are highly appreciated by Romanian tourists, with high concentration in the destinations that have been the subject of an intense development and promotion actions (unfortunately there are major disparities between the resorts in terms of infrastructure investment and services); spas are the following, with the specification that the investment efforts are at a limited level, the general infrastructure of tourism is obsolete, with little exceptions; The Danube Delta is situated last in ranking.

The foreign circulation presents similarities to the Romanian one, travel preferences are maintained, though at much lower rate. The differences between the resident and foreign travelers represent a main concern for tour operators that are concentrating in developing the Romanian destinations and tourism in general. Creating an image of an international and successful destination, Romania strategy regarding tourism industry must be focused on intensifying the development of tourism infrastructure, (by attracting different investors), the equilibrate the price quality report, the marketing approaches on a tourism brand of Romania etc., never the less, creating the proper environment for tourists offering a great experience, that will determine their return.

The major challenges of tour operators in attracting tourists are, essentially, concentrated on the tourism practices and the transition towards the new modern tourism

of the well-known global destination. The most important concerns are about the following:

•The internal tourism is situated on a much higher level than the inbound. The resident travels overtake the number of foreign travel in Romania and the general evolution is positive but at a low rate. Targeting both the Romanian and foreign tourist needs a special interest for offer segmentation reported to the nationality, age, social status etc. for providing an increase of attractiveness of tourism packages;

•Mass tourism is preferred by residents because is considered cheaper. This mentality underlines the importance of tourism perceptions about Romanian vacations, the role of tour operator being to help the transition to a point of view closely related to the realities of global tourism market. In addition to the consumers' changes in behavior, the modern tourists are interested in tailor made offers, and their involvement in creating the best holiday package.

•The specific development of different forms of tourism, adventure based one, need a special attention as tour operators must consider the existence of an active approach rather than a passive one, therefor including such characteristics in their process of creating and commercializing the tourism offers;

•Tourism providers, for instance the accommodation units, don't have interest or financial possibilities to invest in the ecological technology. As mentioned above, the eco component of tourism services is becoming more and more important for tourist on one hand and for destinations on the other. Promoting intensely the importance of sustainable development as a base of each offer represents a major impact on stimulation tourism circulation and attracting investors to support these changes;

•The discrepancies between the major tourism components, with accent on the lack of leisure infrastructure, especially since leisure activities has become search engines for holidays. The modern offer should definitely include a form of leisure activity, nature based or anthropic which provides the framework for vacations;

•The high level of prices of Romanian services is a big impediment in the increasing popularity among tourists, and especially foreigners, considering the strong competition of countries with similar potential; applying high prices must be correlated with service quality and increase the attractiveness of destination by providing discounts, early booking opportunities, last minute trips etc.;

•The lower interest for organized vacation, in particular for circuits, is another characteristic of resident travel that organizations are facing. The Romanian tourists often consider the individual trips as being cheaper than the organized one, thus choosing to travel on their own;

•The new technologies are influencing the way consumers are prospecting the market and purchasing the best services. This determines that each tourism organization invests in creating a special interface in order to raise the attractiveness and set apart from competitors. Promoting through online, social networks represents an important asset in increasing visibility and accessibility, this being another primordial concern of tour operators;

● In support of the promotion the capitalization and inclusion of a country brand in foreign tourism offers is an important requirement; promotion actions must be linked with tourism development; etc.

4. Conclusion

The alignment with international market trends represents the most important requirement of tourism development and notoriety of Romanian destinations. Keeping an uncertain situation of tourism by failing to adapt to the demanding requirements of consumers will generate a reduction in terms of tourism arrivals, regardless of their origin. Creating a segment oriented packages enlarges the opportunity to attract more tourists, to meet the needs and wants of them and to raise awareness of the Romanian tourism. In addition, the promotion initiatives should focus upon creating a successful image of Romania as a major destination.

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THE INTERNATIONAL TOURISM MARKET BETWEEN CONTINUITY AND CHANGE - THE CASE OF ROMANIA

Secăreanu Constantin, Romanian-American University[1]
Telephone 0720.251.807, E-mail: secareanu.constantin@profesor.rau.ro
Dridea Catrinel Raluca, Romanian-American University[2]

Abstract

In the case of full economic crisis, in the 2012, the international tourism industry has registered a historical record: over a billion international tourist arrivals. In Romania, even though in has a growth trend, the incoming circulation is ranked at a very low position (approximately 1.6 million foreign tourist per year).

In this context, this study analyses the main continuity and changes elements developed in the recent years on the traditional active markets (source) for international tourism: ranking the main countries of tourists 'origin and the substantial alterations reported in the last decade; the various evolutions of demand for the international tourism and realizing specific typologies. Also, there are evaluated the promotion efforts of Romanian tourism on the international market and in the end, strategic priorities for short term are highlighted.

Keywords: International tourism market, outbound tourism, tourism import, tourism balance, international tourism expenditure

1. Introduction

The analysis of international market can be done from a dual direction, perspective of the same phenomenon: the analysis of tourist destinations market (the inbound tourism), which refers to the non-resident visitors traveling within that country (tourism export); the analysis of countries emitting tourists, by country of origin (outbound tourism), meaning the residents travel activities abroad (tourism import).

In the present study the second option has been chosen, analysing the value volume and dynamics of international tourism market based on international expenditure numbers, from the tourism balance as a component of the balance of payments of every country.

The international tourism expenditures represents consumer spending for purchasing products and tourism services by the residents of a country, abroad, at destination, including the spending in the country of origin, the pre-trip ones, but connected to this.

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[1] Address: 6 Sold. Nicolae Barbu Street, bl.13, ap. 52, Bucharest, Romania;
[2] Address: 303 Mihai Bravu Street, bl. 18 A, ap 54, Bucharest, Romania;

It must be mentioned that registration of the real and precise value volume of tourists expenditure in another country is a difficult step, because it doesn't exist the possibility of control and it can't be predicted the tourists' mandatory character to declare the spending of tourism consumption.

As a result, to assure complete information, relevant and coherent ones it was used a single source, the publications of World Tourism Organization (UNWTO). These provides information from the tourism balance of every country, based on registrations from Central Bank, reports of tourism economical agents and the results of research obtained by specialized statistical institutes.

2. Top 25 countries

All states ranked in top 25 (see *Annex 1*) recorded international tourism expenditure of at least 10 billion US dollars, together holding approximately 71% of international tourism market.

The two biggest tourism source markets were and remained Germany and United States (about 16% of international demand), which in the last decade have shifted places, as a result of different growth rates of demand for international tourism, expressed in each country. If in 2000 United Stated placed itself on the first position, outranking Germany with over 17 billion US dollars, in 2011 Germany has reached the top with 6.6 % over United States (over 5 billion US dollars). The immediate effect was to accentuate the negative tourism balance for Germany, unlike the United States that continues to register a positive balance.

In 2011, between the 25 countries, there can be seen two major states categories [International Monetary Fund], from the economic point of view, as follows:

A. Advanced economies, classified in three subgroups:

- The major Advanced Economies (the Group of Seven): from Germany (first place international), followed by United States, United Kingdom, France, Canada, Italy till Japan (9th place international);

- European Advanced Economy, placed in European Union space and Euro Zone but also outside those: Belgium – 11th place, Netherlands – 14th place, Spain – 18th place, Norway – 19th place, Sweden – 20th place, Switzerland – 24th place, Austria – 25th place;

- Newly Industrialized Asian Economies, states with a very large population, even though, the land surface are, sometimes, very small: Singapore – 13th place, Korea – 15th place, Hong Kong – 16th place. In the same geographic area (Asia – Oceania) it's placed Australia – 10th place.

B. Emerging and developing economies are represented by two subgroups:

- BRIC countries: China – 3rd place, Russia -7th place, Brazil – 12th place, India -22th place;

- Some countries from Middle East: Saudi Arabia – 17th place, Iran – 21th place, United Arab Emirates – 23th place;

Over the last decade, the changes have been essential:

• The impressive growth of demand in BRIC countries. China has reached the 3rd place, closed to Germany and United States, after being placed 9th; the first three countries have now over 23% of international tourism demand. Russia has continued to increase in raking, moving six places in advance, while Brazil and India has succeeded to enter top 25. Very good results were accomplished also by, Iran and United Arab Emirates, that got into top 25, while Saudi Arabia has consolidated its position.

All these countries an immense growth potential of international tourism demand, presenting a very high elasticity of consumer spending manifested with increasing GDP.

• The states from G7 have generally maintained their position, finding themselves on an ascending trend of demand; with one exception (Japan has decreased the demand from 3.5 billion US dollars in 200, to 27.2 billion US dollars in 2011).

The different growth rates have determined that the G7, found in 2000 on the first seven position in global hierarchy , to be penetrated by two states – China – 3rd place and Russia – 7th place. If to these nine countries we add Australia – 10th place (with many similarities) it can be concluded that the demand for international tourism continues to maintain a high concentration, the states from Top – 10 holding over 46% of world total.

• Although recorded absolute demand growth, a series of European states (Austria, Switzerland, Sweden, Netherlands, and Belgium) dropped a few places in ranking. In these cases it is possible the appearance of a natural phenomenon of demand, the more so as international tourism expenditure per capita stood since 200 at a high level.

3. The main trends in the global crisis period

Every crisis can be briefly characterized by three elements: the depth of contraction (the decline), duration and the subsequently recovery. From this point of view, the evolution of demand for international tourism (outbound), after 2008, presented in *Anexa1* can be synthesized in five typologies as shown in *Figure 1*.

Type1. (T1) In this group are seven countries. Along the BRIC countries, there are Australia, Singapore and Iran, countries with specific characteristics, clearly separated from other states. All countries registered in 2011 much higher levels of expenditure in comparison to 2008: China (+107%, doubling the demand), Brazil (+94%), Iran (+85.7%), India (+54.6%), Russia (36.5%). In Australia and Singapore, states with a very high level of expenditure, the increases were moderate (18.8%, respective 14.7%).

As a result, the effects of global crisis hardly it had felt, the majority of countries from this group recorded significant increases in external demand each year, including 2009, the peak year of crisis. There is only on exception, Russia which after a slowdown in 2009 with -12.1%, quickly recovered (27.2% in 2010, 22.1 in 2011).

The correlation between the dynamics International Tourism Expenditure and the dynamics of GDP is very intense, the external tourism demand being very elastic in relation to GDP. None of these countries represents an important source of tourist for

Romania. With sustained efforts and properly focused, Romania can become a successful destination, especially for Russia and China.

Type2. (T2) In this group, there are six countries: four European states (France, Belgium, Norway, and Sweden) and two more distant countries, from the geographical point of view: Canada and Hong Kong. These recorded a relatively small decline in 2009 (11.5% in France, - 6.1% in Sweden), after which the level of 2011 significantly exceeded the previous outbreak of the global crisis (+5.7 % in Sweden, up to 19.4% in Belgium).

From this group, in present, only France and Belgium may be of interest for Romanian tourism. In the other cases, the large distances, the lack of direct airlines, or the lack of promotion have generated a limited appeal for the Romanian touristic destinations.

All of them are economically developed countries that even though reached a relatively high level of spending in the outbound tourism, are further expressing their inclination for international tourism, aspects reflected by the elastic demand in relation with the dynamics of GDP.

Type3. (T3) It encompasses three major states on international tourism market (Germany, United States and Italy), that represent 18.7% of total international tourism expenditure. After a significant decline in 2009 (-4.3 % Italy, -5.9 % Germany, -7.9% United States), the current level is approaching the pre-crisis one. For Romania, all of the three countries are particularly important, with a remarkable growth potential of demand; this is the way the promotion efforts must be continued and intensified.

Type 4 (T4) Is particular to the economically developed countries, with a relatively small population (Switzerland, Netherlands, Austria), in which the pre-crisis spending was very elevated. This saturation phenomenon generated standstill trend in 2009 followed by further reductions. This results in an inelastic demand dynamics, uncorrelated with GDP dynamics, under the influence of other factors. For Romania, these three countries present a distinct interest, especially for business tourism.

Type 5 (T5) In this group there can be found states which registered the most pronounced decline in 2009: United Kingdom (-13.6%), Japan (-18.4%), Spain (-12.6%), United Arab Emirates (-22.1%). In Japan the regress has started since 2008, trend reflected also in the Republic of Korea. More than that, in United Kingdom, Japan and Spain, the 2009 fall was followed by a new contraction in 2011.

In all of these states, the actual level of international tourism expenditure is situated well below the pre-crisis (-15.3% in united Kingdom, -24.6% Japan, -10.1% Spain, -11% United Arab Emirates).
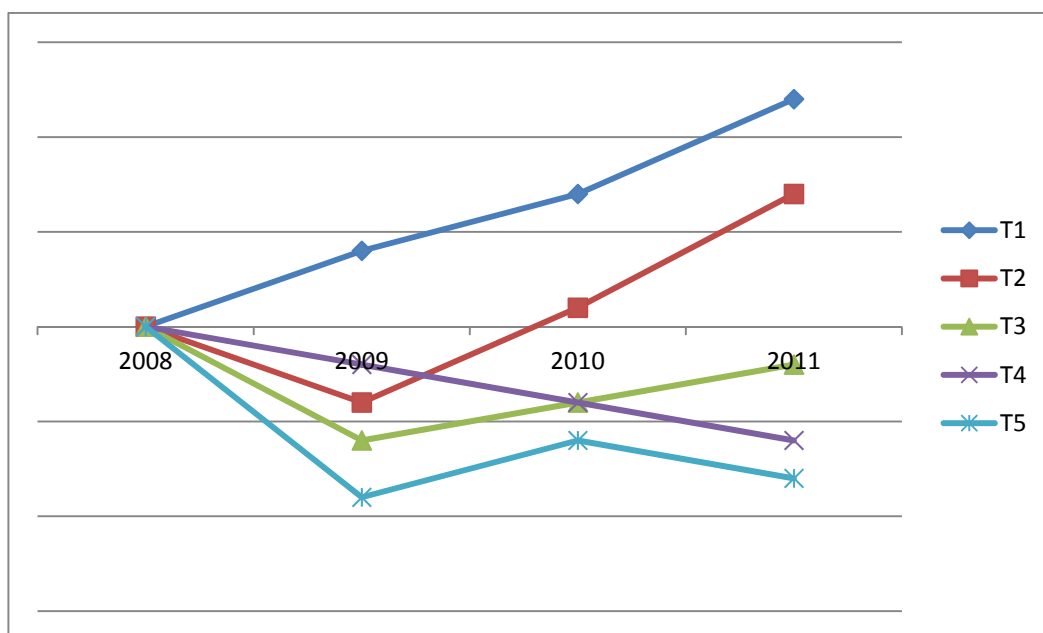
Fig no 1. The typology of evolution of international tourism expenditure

4. The promotion of Romanian tourism products on international market

Romania's tourism activities are organised to offer a large perspective over its natural and anthropic potential. The actors involved are creating and developing tourism services to a wider range and segmented on the necessities and desires of the residents and foreigners. Even though the initiatives to develop Romanian tourism have generated an increase in tourism circulation and attractiveness of destinations, the number of foreign visitors is not yet satisfactory.

In consequence, creating products that determine a special interest of different tourists, promoting them in an innovative way, and catering for an exigent consumer is considered to be an essential action toward the growth of foreign visitors sector. More than that, identifying Romania as an important destination is based on a multitude of actions focused on increasing the notoriety degree on a global scale, understanding the changes determined by the economic crisis and the trends registered in the consumers' purchase habits.

An overview of the arrivals of foreign visitors presents a general image over the evolution of tourist circulation by origins analysing a decreasing trend (table 1). A brief analysis of 2008-2010generates a negative result in terms of arrivals, increases identifying a general decreasing phenomenon due in part to the lack of promoting strategies of Romanian tourism. The 2011 brigs a small recovery registered at the continent level, with exceptions for some countries that suggests similitudes regarding the promoting activities of Romanian tourism.

Arrivals of foreign visitors in Romania, by origin

Table 1.   Thousand

	2008	2009	2010	2011
Europe	8411	7203	7098	7180
EU	5566	4799	4456	4391
Austria	210	180	177	193
Belgium	44	37	42	50
Bulgaria	1114	877	789	797
Czech Republic	135	101	80	80
Cyprus	11	8	8	10
Denmark	17	13	11	14
Estonia	6	4	4	4
Finland	10	9	8	11
France	183	150	131	153
Germany	522	443	395	381
Greece	118	90	71	83
Ireland	15	11	10	13
Italy	433	375	331	352
Latvia	4	4	4	4
Lithuania	10	10	9	9
Luxemburg	1	1	1	1
Malta	1	1	2	2
Netherlands	80	67	66	78
Poland	227	223	238	250
Portugal	16	20	47	47
United Kingdom	128	104	92	109
Slovakia	148	114	98	84
Slovenia	37	35	23	17
Spain	71	67	63	77
Sweden	24	19	24	26
Hungary	1950	1836	1735	1546
Belarus	37	43	56	57
Serbia Montenegro	184	170	244	19
Macedonia	13	12	18	1330
Republic of Moldova	1429	1043	1216	250
Russian Federation	63	73	92	120
Turkey	303	258	265	271
Ukraine	730	724	672	648
Africa	18	17	21	22
Egypt	6	4	6	6
America	191	169	171	182
USA	137	119	117	123
Asia	224	171	195	211
Israel	96	76	81	83
Australia - Oceania	16	14	13	15

Source: Romanian Statistical Yearbook, 2012, ISSN 1220-3246;

The promotion strategy must by elaborated in the broader context of the global strategy regarding tourism marketing, by coordination and correlation with the other elements of marketing mix (product, price, distribution). The promotional message is required to be approached for different levels of communication and phases of the process of formational and expression of behaviour of potential clients. [Florescu,1997].

The first level of communication is the cognitive one, of informing, role being to draw attention and to capture consumers' interest, by providing information regarding originality, position, uniqueness of Romanian tourism product. At the present time, the image of Romania, the most common, is underlined by two hypotheses: foreigners either associate Romania with a number of negative aspects, or don't have sufficient information to form a real image on Romania. In these circumstances the image of Romanian tourism on local, regional, global level must be promoted in a lesser extent by classic advertising (clips, commercials), very efficient methods in the case of other countries, when applied in a different settings and international context. As a result, the actions must be focused on public relations, promoting through image vectors, especially journalists and tour operators.

The public relation concept must have a strategic and proactive role, total openness and communicative organizations, rather than a tactical and reactive function, a simple presentation and distribution of information. [Gregory,2009].

Two principal instruments that can be used in the PR activity:

- Amplifying mass-media relations, that represent, the most influent instrument; it is focused on interviews and press articles, organizing press conferences, but especially organizing tours of information and documentation for press and tour operators; the result of this collaboration can be a published article in a specialized magazine or a documentary broadcast on TV, the theme being concentrated around the main particularities of a destination (geography, population, art and culture, tourism attractions, handcraft, folklore, traditional customs, gastronomy, history, religion etc.) accentuating the originality and national identity elements.

- Manifestations with promotional character, involving the participation abroad in tourism fairs, symposiums, conferences, congress and expositions with a tourism theme and adjoining areas such as: geography, history, literature, art, culture etc. On this occasion, beside the use of brochures, guides and leaflets (printed and digital), there can be organized a series of promotion events for Romania as destination (dedicated shows, caravans for information and promotion in different target countries etc.).

At the next level of communication, the affective one, the promotional message aims to the emotional and motivation stimuli. The main purpose is to neutralize the negative impact of persuasive advertising practiced, in some cases in foreign media, and finally to change the individual attitude and beliefs in a favourable way in order to promote Romanian tourism. By sophisticated marketing tools it can be created images of tourism products to ensure compatibility, more so an overlap with a particular type of a potential consumer. This advertising method exploits the representation of an ideal holiday by stimulation psychological and social determinants of tourist demand (surprises, common experiences, and the hospitality of the residents etc.) [Petr., 2011], underlining the great virtues of the journey, understood as exploitation and discovery, but also as affirmation of

the identity of the origin of tourism destinations. Likewise, the symbolism of utopias and historical myths about different destinations must be exploited, placing the local legends in the spotlight.

At the last level of communication, the behavioural level of motivations, the promotional message is focused on stimulating the purchase desire, by applying different sales promotion techniques: practicing special prices, granting bonuses or free services, organizing contests with free holidays in Romania as prizes etc.

In addition, it is necessary to create a national brand that defines Romanian tourism and puts it on a global map, with a high potential of all tourism forms, from the classic, traditional ones (mountain tourism, seaside tourism, spas etc.) to new ones, modern (black tourism, adventure tourism, etc.) This is why all marketing efforts must be directed to generate high attractiveness for all types of consumers, making the transition from mass tourism to tailor made trips for the benefits of tourists and the local destinations, with accent on the less known ones.

Responding to the needs of tourists in terms of service providing, a good collaboration of public and private sector will be the proper answer; the initiatives created based on this connection offer a tourism identity of Romanian destinations for a wider range of potential tourists.

5. Conclusions

The national strategy for promoting the Romanian tourism offer on external markets must be not only *offensive,* targeted towards a rapid and significant attraction of a large number of tourists, but also *realistic* taking into account that expected progress of renewal and modernization, of increasing the services competitivity is relatively slow and last but not least, *cautious*, meaning efficient oriented promotional funds, considering the limited character of these.

In this context, there can be underlined three priority directions for the years to follow:

1. The neighbouring countries must become the main target for tourists. Even though, presently, the promotion of Romanian tourism in these countries is often insignificant, these countries hold the largest share in the total number of foreign tourists. In this case, the easy access to Romania and the accessible value of tourism offer become determinants of foreign demands.

2. In western countries a high selectivity promotion policy is needed: where there is continuity, experience and tradition, the promoting efforts may be intensified (the case of Traditional source countries like Germany, Italy, and Austria; in the areas where, there isn't a special interest Romania's tourism offer, for many years (with the exception of business tourism), there must be identified the causes and decide upon continuing the promotion investments.

3. New markets must be reached, regardless of the geographical area, with high potential in tourism exports and a great interest for our country's tourism offer (China, India, Middle East, the West Balkans states and the Black Sea area, etc.).

Focusing on new markets, but not overlooking the traditional ones, will increase the opportunity of Romanian destinations to become a name in the worldwide ranking.

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Annex 1

World top source markets by international tourism expenditure

Rank		Country	Billion US dollars 2011	% change (local currencies, current	
2011	2000			2011/2008	2009/2008
1	2	Germany	84.3	-2.0	-5.9
2	1	United States	79.1	-1.7	-7.9
3	9	China	72.6	+100.7	+20.9
4	3	United	50.6	-15.3	-13.6
5	5	France	41.7	+7.2	-1.5
6	7	Canada	33	+14.0	-3.3
7	13	Russian	32.5	+36.5	-12.1
8	6	Italy	28.8	-1.0	-4.3
9	4	Japan	27.2	-24.6	-18.4
10	17	Australia	26.9	+18.8	+2.5
11	10	Belgium	22.3	+19.4	-2.6***
12	26	Brazil	21.3	+94.0	-0.6
13	25	Singapore	21.1	+14.7	-0.4
14	8	Netherlands	20.5	-0.2	+0.4
15	14	Korea,	19.5	+2.1	-21.1
16	16	Hong Kong	19.1	+18.9	-3.1
17	19	Saudi Arabia	18.2	+20.0	+35.0
18	18	Spain	17.3	_10.1	-12.6
19	22	Norway	16.3	+17.3	-2.6
20	12	Sweden	15.8	+5.7	-6.1
21	50	Iran	14.2*	+85.7**	+19.2
22	28	India	13.7	+54.6	+8.8
23	32	United Arab	11.8*	-11.0**	-22.1
24	15	Switzerland	12.5	-5.7	+0.6
25	11	Austria	10.5	-2.4	+0.3

Source: UNWTO World Tourism Barometer –International tourism receipts surpass U S$ 1 trillion in 2011, Madrid, 2012;

http://media.unwto.org/en/press-release/2012-05-07/international-tourism-receipts-surpass-us-1-trillion-2011;

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*) 2010

**) % change 2010/2008

***) % change 2010/2009

THE ROLE OF SMART TOURISTS IN SHAPING THE FUTURE OF AIR TRAVEL SECTOR

Camelia M. Gheorghe, PhD
Romanian-American University
gheorghe.camelia.monica@profesor.rau.ro

Abstract

Nowadays, terms like "innovation" and "change" became part of the global tourism vocabulary, since both are central to improving business and destination competitiveness and as such, to improving the tourist's experience. Creating unique and memorable experiences for consumers represents a dominant concept in the tourism industry. In recent years, it has become critical for the tourism providers to find innovative ways to differentiate their services and products and to create memorable and valuable experiences for the tourists.

In that context, the impact of technology is remarkable in the air travel sector. The recent research shows the way technology is designing the air travel business. The airlines priorities focus on enhancing the passenger experiences, and they are also very interested in improving business intelligence to better understand their operations and customers. Being an industry that is fast adopting the digital world, the aviation sector is making efforts to involve customers in their innovation processes. In order to improve the experiences, a lot of airports and airlines responded to the large number of passengers carrying smartphones, notebooks, tablets and e-readers by equipping seats with power and USB ports, or are looking at ways to integrate passengers' own devices with the design of the seat.

The paper aims to identify the role of the passenger in the equation of air travel business – passengers – technology. Is he responsible for the change of business in air travel sector? Or, on the contrary, the air travel sector does influence the behaviour and the habits of the customer?

Key words: air travel sector, smart tourists, technology, business, airport, experience, innovation

Introduction

Tourism and hospitality are social phenomena and the industries associated with them are largely application oriented. Information & Communication Technologies (ICTs) thus play a critical role in the competitiveness of tourism and air travel companies, as well as in the entire industry as a whole.

Today, there has been a growing interest in the development of technology-based mediators including the Internet, mobile phones, and digital cameras (Tussyadiah & Fesenmaier, 2009).

But why do people travel? People travel for a multitude of reasons: to escape, to search, to connect, to change, to be involved. The main elements that contribute to a pleasant escape are various: the means of transport, the accommodation, the food, the destination, the services, the local traditions and the local people etc. But, at the core of travelling, is the experience.

In that respect, the experiences are transforming as consumers now are more experienced, sophisticated and play an active part in co-creating their own experiences. As a consequence, the technology of information and communication is increasingly mediating experiences (Neuhofer et al., 2013). As customers gradually prefer to go their own way, the relationship between customers and companies is changing in favour of customers who are increasingly gaining power and control.

But, what is the role of passenger in the equation of air travel business – passengers – technology? Is he responsible for the change of business in air travel sector? Or, on the contrary, the air travel sector does influence the behaviour and the habits of the customer?

This paper provides a theoretical framework regarding the impact of ICTs on airlines and airports business, and presents findings in terms of relation between the needs of smart tourists (passengers) and airlines and airports offer.

Literature review

The Information & Communication Technologies (ICTs) have radically changed the world. In the transport sector, the impact of technology is tremendous. Airlines were early adopters of ICTs and have a long history of technological innovation, in comparison to many other travel and tourism businesses (Buhalis, 2004).

30 years ago, the technology - the computer reservation system, CRS - was used to store and provide information and enable transactions related to air travel. Travel agents used then the Global Distribution System (GDS) for their bookings to sold approximately one billion airline tickets per year. The GDS model is focused on finding the lowest fare and not on the attributes of the product being sold, it contributed to the commoditization of air travel. In these days, the personal customization has become very important. Travel agents are obviously more customer focused on a personal level than an airline. This New Distribution Capability (NDC) enables airlines to fill a capability gap between their direct (Web) and indirect (Travel Agents) channels, providing identical retail capabilities across all channels. The process utilizes a Dynamic Airline Shopping engine API based on IATA XML messages (Schonland, 2012).

Nowadays, the technology acts like a bridge between airlines, airports or other flight services providers and customers. In today's digital world, airlines typically distribute tickets both via their own websites and through online travel agency (OTA) platforms (Koo, Mantin & O'Connor, 2009). The consumer websites such as Expedia, Smarter Travel, Travelocity, Orbitz, Kayak, have fully integrated the reservation systems, allowing users to manage the travel arrangements easily and rapidly. Although associated with higher distribution costs, selling tickets through the platforms offers airlines exposure to a broader consumer base, and potentially higher sales than selling tickets solely through their own websites (Koo, Mantin & O'Connor, 2009). From the passenger angle, time and cost

savings is use of technology biggest benefit; it reduces waiting time, is more efficient, flexible and convenient. Thus, the passengers became more involved in the purchase process, and they are able now to find the most appropriate airlines and the best routes for their specific needs, to compare offers and prices, to create their own customized flight package (including pre-flight, in-flight and post-flight services).

In order to improve the quality of services and to offer a larger variety of options, airports and airlines are adopting self-service technologies (SSTs). Therefore, technological interfaces enable companies to delight their customers instantly by allowing them to solve their problems using technology (Bitner et al., 2002). In that context, the adoption of self-service is gaining importance in air transport industry for two main reasons: increased efficiency and reduced costs and labor (Abdelaziz et al., 2010). The airport interactive kiosk, a standalone desk or an interactive computer terminal, puts control into hands of the customers (Rowley and Slack, 2003). It provides information, goods, or services, can be used by individuals to purchase tickets, check baggage, and monitor the status of arriving and departing flights at a specific airline's computerized kiosks, contributes to ease congestion and prevent long lines at check-in counters, and it can be a booth where people can purchase food, magazines, or souvenirs from a salesperson before or after a flight (Abdelaziz et al., 2010).

But using the latest developments in technology provide high value and high quality traveling experiences to visitors. This is one of the most important reason airports and airlines try to design and implement new, intelligent tools for tourists who use smartphones, Google calendars, and web browsers. These tools enables tourists to quickly find responses to their questions, identify activities by type and proximity and fit those activities into personalized itineraries - all without the need for a translator, tour guide, or travel agent.

The mobile applications connected with social network services as well as with traditional websites allow such exchanges to be informed by social information and for feedback to be instantaneous. Smartphones and their applications provide comprehensive mobile information services that facilitate travellers across the travel process (Gretzel, Fesenmaier & O'Leary, 2006). Recent findings reveals that 75% of frequent travellers use mobile devices. As a consequence, the mobile presence of the airports and airlines is absolutely necessary for providing best customer service and corporate branding. The mobile applications and websites benefit airports and airlines internally, but they also help satisfy travellers' expectation of having instant access to travel related information: flight status, gates, boarding, terminal maps, parking rates and available shopping, dining options etc.

The recent research published by SITA[1] shows the way technology is shaping the future of air travel. They consider that airline IT investment priorities continue to focus on mobilizing the passenger journey, as they have done for the past years, but airlines are also showing a strong interest in improving business intelligence to better understand their operations and customers. More than that, the airline industry is an industry that is fast adopting the digital world. In order to improve the formalities and procedures, some

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[1] The Airline IT Trends Survey, SITA 2013, http://www.sita.aero/surveys-reports/industry-surveys-reports/airline-it-trends-survey-2013.

airports adopted new trends and installed smart gates for customer, which are secure, automated self-service alternatives to the conventional face-to-face border control process. The devices identify users through their passports, ID cards or e-Gate cards, and also use facial and eye recognition technology to verify the user.

As technology and the people interests evolve, so does social media. More articles and discussion will take place regarding Google Glass as the future of technology. Since its public unveiling in April 2012, the tiny head-mounted Android computer has been collecting controversy and sociological analysis. It is currently available in limited beta to eminent members of the tech community and to a selection of "Glass Explorers", but is evolving with a rapid pace and the air travel sector would be one of the first large industry that implement it.

Approach

The paper provides an exploration of the new concepts and of relation between the smart tourists (passenger), the ICTs and the air travel sector.

To analyse new concepts with regard to a development process of the changing air travel business and consumers marks at the same time 1) a new perspective on the travel industry itself, as an occasion of many debates on concepts; 2) an actualisation of past conceptual elements as contributions to the understanding of the actual theories; 3) an extension of conceptual approaches to new questions and sources which require innovative revisions in methodology and research practices.

Two points of departure for the research issue from the analysis of the existing concepts on consumers experiences and air travel business: 1) The discussion centres around interpretations of the key conceptual clusters which are subject to the research paper: ICTs - smart tourists - air travel sector; 2) The debate on air travel industry development has rarely led to asking how these key conceptual clusters should be re-interpreted with regard to their influence on global air travel industry performance, but often the second step was made before the first and it was discussed which concepts were satisfactorily realized and which were missing.

Findings

The notion of creating experiences has become ultimate for successful business operations, structures and strategies. Considering that the performance of businesses heavily relies on minimising the imitation of tourism products and services and on maximising the creation of valuable experiences, it is crucial for business suppliers to gain an in-depth understanding of the paradigm shifts changing the conditions they are operating in. To that end, the paper set out to conceptualise technology as a tool for the next generation air travellers.

The meaning of the concepts in these contributions was neither discussed nor made explicit. This hints at a decisive lack: in the dominant contributions from co-creating experiences studies, the criteria as according to which the ICTs influence is obvious are often explicitly or implicitly taken from the example of airports. Moreover, in several contributions on ICTs impact on air travel business, a static and a-temporal use of key conceptual clusters is apparent.

We are only at the beginning of exploring the nature of relation between the smart tourists and new (digital) business research in air travel sector. This project contributes by providing an initial conceptualisation of technology as a tool for the smart tourists and for the next generation business as well.

This paper undoubtedly leaves open many questions that are to be addressed in the future.

What is required therefore is a re-reading of the conceptual sources and a re-description of key conceptual clusters in the new digital context. Building on the conceptual propositions of this paper, an agenda for future research on technology changed passenger behaviour needs to be set out to both strengthen the theoretical basis and extend the implications for business operations, structures and strategies. To develop this new concept, many studies are needed to find out how to use different types of technologies to facilitate experience co-creation of the digital tourists, and how to exploit the link between the air travel suppliers (business), ITCs and smart consumers to re-design the air travel experiences in the future.

As a conclusion, the use of smart technologies changes the way passengers act and all these have tremendous implications on the air travel business. In this respect, it is important to outline a few trends in the air travel sector:

- Developing mobile applications allows airports to build and maintain a mobile platform in one development environment while providing access to users with multiple devices and operating systems;

- Mobile applications provide more functionality than websites and enable airlines to drive revenue by selling ancillary services and flight upgrades, among other things;

- When price allows, travellers tend to stick with the airlines have provided positive past experiences, so providing a mobile application will allow them to store and quickly access personal information, book flights, and check flight information all in one place;

- Google glass can be the future of technology in air travel sector as well, providing customers revolutionary tools for air travel.

Conclusions

However, the new, smart technologies are subject to social transformation, since they are used in airlines, airports, hotels, travel agencies, tour operators and destination management organizations, as an important support of interplay with digital travellers. Therefore, the link between the passengers and airlines / airports is based not only on the interaction between the tourists and the suppliers, but on the new network formed because of the interaction between the tourists and facilitated by the technology.

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THE INDIAN EXPERIENCE AS REFLECTED IN TWO ROMANIAN TRAVELOGUES

Roxana Ştefania Bîrsanu
Romanian-American University, Bucharest
0743082924
roxanabirsanu25@yahoo.com[1]

Abstract

Traveling destinations have benefited considerably the accounts of travellers who considered it worthwhile to share with others the amazing adventures they experienced while travelling. Some travel journals are extremely personal, focusing more on the author's impressions and feelings triggered by the visited places, while others are more objective and are intended at being accurate and neutral descriptions of people and places. This paper looked into two approaches to India as presented in two Romanian travelogues, one dating back to the second half of the 20th century, and the other to the beginning of the 21st century. The comparative analysis revealed two distinct perspectives on the topic of India as a travel destination, and disclosed that they fully reflect the time period of their writing in terms of intended purpose, attitude towards readers' presumed prior knowledge of the topic and parallelisms with the authors' native land.

Key words: travelogue, identity, cultural difference, comparative study, destination

The globalisation process has enabled travels to far-off destinations with increased ease, thus reducing distances and bridging cultural differences which previously seemed completely incongruent. From a European perspective, the Indian subcontinent has still preserved its exotic nature, for all the documentary material depicting Indian experiences. A significant part in the disclosure of India to foreign travellers has been played by travelogues, which have sometimes significantly contributed to the selection of this country as a vacation destination.

This paper intends to draw a comparative parallel of two travelogues on India signed by two Romanian authors. The objective is to detect the authors' approach of the topic (it is particularly worth mentioning that the two writings are separated by a 30 years' time span), the general intended purpose of the writing and the subjective or objective dimension of the narrative. Before proceeding to the analysis per se, a theoretical framework of travel writing may come as useful, since the comparative study relies precisely on the coordinates which provide a more insightful perspective on the techniques and literary or informative aspects of travel writing.

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[1] Str. Lunca Birzesti nr. 2, Bl. 21, Sc. 2, Ap. 53, Sector 4, Bucuresti.

Although travel writing has been a very productive genre (or sub-genre, as some critics consider it) since the 17ᵗʰ century or even earlier, it is only recent that it has captured the attention of the large public and critics alike. This recent interest is due to a number of factors which are also accountable for the great boom of the travel industry during the last decades: improvement of transportation means, which have become rapidly available and increasingly affordable, the growth of a general mass of middle-class travellers willing to discover new destinations and possessing the financial means to do so, a growing interest in new and interesting locations, economic and political relations which have eased access to and from various destinations.

Consequently, travel writing has become an integral part of the travelling process, be it under the form of fictionalised accounts of actuality, journals, memoirs and, more recently, blogs – all with a marked literary dimension, or of leaflets, brochures, offers, which a heightened informative function and which could be deemed somehow a sub-division of travel writing.

The products of travel writing are used by (and useful to) all the parties involved in the travel industry. Tourists turn to them in order to find out further information on their holiday destinations besides the standard information provided by travel agencies. These writings, although highly subjective, also display objective descriptions of aspects that are usually presented in a sugar-coated manner by agencies when they leave room for improvement (for instance food, hygiene, the health system, quality of accommodation establishments, etc.). In turn, destinations fully benefit from such written accounts of experiences they provided especially if the authors are personalities of international acclaim (think of Kazantzakis' travel journal), whose worldwide recognition provides them with an authority which extends beyond the field that made them famous. Finally, travel agencies usually resort to informative texts (leaflets, brochures, etc.), which they either produce in-house or translate from various foreign languages, in order to promote the destinations they wish to sell.

Travel writing (alternative structures are used, without a general consensus as to a possible "definite" term to represent this form of narrative: travel story, travelogue, travel book, travel memoir) has coexisted with mainstream literature since the Antiquity, when it reflected partly an interest in travel and its manifold aspects, and partly an interest in history. Since travel writing is considered by some critics a genre in itself, while others see it as a mixture of genres, it has been quite difficult to attach a definition to it. Without being exhaustive, the definition provided by Borm is satisfactory since it refers to the many aspects involved in this form of writing: "any narrative characterised by a non-fiction dominant that relates (almost always) in the first person a journey or journeys that the reader supposes to have taken place in reality, while assuming or presupposing that author, narrator and principal character are but one or identical" (2004, 17). The degree to which a travel narrative blends fiction and non-fiction varies widely among travel authors, and predominance of one over the other dictates a division of readership depending on whether they are more interested in finding factual data on a certain destination or simply a more fictionalised account of it.

In respect of India as the topic of travelogues, as Teltscher claims, "the conventions for representing India are already fixed […] and the land is over-described" (2002, 191).

They are "fixed" by a century-old tradition, one may say, of various representations of India, under almost as many forms as there are writers (ranging from scientific works to autobiography and fiction). Despite its remoteness to Europe, India has been a privileged topic of travel writing compared to other so-called exotic destinations such as Africa or the Americas. This is mainly due to the vast amount of British writings which have been very productive since the 17th century. In time, writers' approach paralleled and echoed the economic and political relations established between the British Empire and India.

Thus, in the 18th century, it was mainly represented as a location of great wealth. Given the fact that by the second half of the 19th century, most of India was already under British rule, travel accounts focused more on this relation, with a subtle tendency of suggesting the superiority of the British as compared to the poor and debased Indians. Nevertheless, a part of these 19th century writings, particularly signed by women (for instance Emma Roberts or Maria Graham) opted for an idyllic representation centring on Indian topography, monuments and historic issues. However diverse the forms of expression, the recurrent topoi of travelogues on India are the customs and traditions which seem to be frozen in time, the marked stratified social hierarchy, the rich mythology, and the history of the country.

The 20th century brought about a change of paradigm in terms of approach and discourse. India is thus increasingly mirrored as the background of the authors' search of identity, and, many times, it seems to be the perfect location for an initiating journey towards the self with the much hoped for outcome of an ultimate epiphany at the end of the road.

The two travelogues under study in this paper also focus on India and were written at a distance of thirty years one from the other. "India. Meridianul Gandhi" was published by Ion Dumitriu-Snagov in 1978, at Editura Sport-Turism. The other one, "Namaste. Un roman de aventuri spirituale in India", is signed by Sega (penname of Octavian Segarceanu) and was published in 2012 at Humanitas, in the collection "Memoirs. Journals. Travels".

If one were to consider the publishing house alone, one would be tempted to believe that Dumitriu-Snagov's book is a regular guidebook on India, with factual data, figures and a discourse whose aim is to convince potential travellers that India may be the perfect solution for holidays. The title also encourages this interpretation; unfortunately, it is not forceful enough to allure readers into approaching the book unless they are truly interested in a holiday to India. On the other hand, Sega's title is more appealing and promises more. It claims to be a novel first of all (which automatically dismisses the idea of a merely informative text) which, moreover, tells of spiritual adventures. Were it not for the blurb, before actually immersing into the reading, it would be pretty difficult for the reader to realise whether it is an autobiographic account of a travel to India, or merely fiction set there.

In broad lines, both titles are personal accounts of a travel to India, but apart from the main topic which they share, almost everything else separates them, from the intended purpose of the book to the author's presence in the text, approach to and representation of factual data, discourse features, depiction of secondary characters or general atmosphere. Almost from the very beginning, it is obvious that Dumitriu-Snagov is not at

his first trip to India, which he seems to rediscover with nostalgia for past experiences lived on Indian ground, among which a merely alluded to romantic affair. But this is secondary to the main idea. It is clear that he went to India to do research, which is supported by the fact that his travels across India are mainly dictated by research pruposes, and are not tourist exploits.

On the other hand, Sega states from the very beginning that this is his first encounter with India, to which he turns as to a miraculous place that could provide answers to his many existential questions. This trip occurs at a crucial point in his life, when he is overwhelmed by a feeling of desolation at the void of his own existence, which he felt he could no longer conduct along the coordinates of an ordinary existence - a job, a stable relationship, friends and family.

This brief account of the two writings already suggests the authors' purposes. Dumitriu-Snagov's book conveys a clear didactic objective, which is proven by the profusion of cultural references (pertaining to mythology, architecture, literature), some of them very detailed. These erudite references reveal not only thorough knowledge of the Indian background and a sustained research effort, but also the author's subtle intention to educate his readership.

But when Sega mentions culture-specific terms, he does it matter-of-factly, as if he infers that his readers should already be familiar with them. Even if this were not true, his purpose is not at all pedagogical; he simply wishes to share with his readers his travels on the road to self-discovery which happen to occur in India. It is also some sort of a confession of past desperation and future hopes: "I didn't wake up here. I came here to wake up" (28) he claims, and he is undeterred in pursuing his goal: "Tomorrow, the journey continues. Towards myself. Come what may" (33).

It would be impossible to analyse the texts without a consideration of the general extratextual context, which dictates many aspects of the book design, from discourse to content which has to be read between the lines and even attitude towards the potential readership. Dumitriu-Snagov wrote his book in 1978, when Romania was under communist rule, and having to submit to all the limitations imposed by a regime which denounced everything foreign as harmful and potentially subversive. The liberalisation period of the sixties was over, and the Soviet space regained its place as the epitome of all human endeavours and achievements possible, and an imposed model to Romanians in all walks of life. Apparently, it may seem surprising that a topic such as India, which could offer the opportunity of an exotic escape, albeit spiritual, from the all grey Romanian lifestyle was not rejected by censorship. A closer reading, however, reveals that the book echoes the period at various levels.

One is the already mentioned didactic objective. Romanians were informed of another people's lifestyle and values, but it is not just any people. The author insists less, if ever, on the hardship of everyday life in India, on people's humiliating condition of extreme poverty and lack of education. He emphasises the struggles of a people of getting to light, of creating a better life for itself and so Indians are suggested to Romanians as an example to follow. Inevitably, there is also a character, Rao, who is endowed with the role of the civilising hero, deeply concerned with the problems of humankind in general and of the Indian people in particular. For instance, with a purely socialist enthusiasm, he claims:

"We all fight for progress, but not all of us see its social implications in their great complexity" (20). In the seventies, therefore, as depicted in this writing, India was not so much an exotic space (closer contacts with exotic dimensions were not encouraged, since they may have opened Romanians' eyes and prompted them to dare and want more than what the regime was "generously" offering at the time), as a term of comparison, an example of a nation that was also struggling with difficulties in order to go ahead and achieve ultimate progress.

Since Sega published his novel in 2012, the general historic context is so different than the seventies that it almost seems to refer to another dimension. By 2012, India had not become one of Romanians' favourite holiday destinations, and people still considered it an exotic space. In the Romanian mentality, it is still not associated with great tourist objectives, but more likely with spiritual experiences that assist the individual in finding a way to self-awakening and self-fulfilment. This image of the Indian sub-continent has been strengthened by the success of a widespread literature of positive thinking in the trail of famous Deepak Chopra. This image of India has become almost a cliché and, in a way, Sega's writing inscribes itself in this stereotype. Sega assumes this status when he mentions in the very title that his journal is a book of "spiritual adventures". Thus, it perfectly meets the expectations of the readership which is searching precisely for a local Romanian account of a spiritual adventure in India.

Another relevant difference which reveals the time span between the two writings is discourse construction. During the communist period, standard pieces of writing involved a language abounding in metaphors which sometimes verge on the absurd and the illogical; the style is generally intensely poeticised, but without actually transmitting any message. Dumitriu-Snagov's writing displays adherence to this style; this is precisely why it is sometimes quite a challenge to understand the main idea of a sentence after a single reading (actually, Allesandro Bausani who signs the preface subtly warns on the difficult writing style). The choice of vocabulary is academic, but words are sometimes devoid of meaning; they only express an idea that, in itself, lacks any consistency. Here is such an example: "The reactors, giants of modern energy, gather around them, with their temple-like authority, a silent cluster of laboratories. Here, everything unfolds according to the rigours of order and responsibility, self-aware seriousness, high-level awareness, for which the lava of thinking raises up to the incandescence of the human race" (20).

At the other extreme there is Sega's style, which reveals the use of postmodern techniques. Here and there the narration alternates past experience with present impressions, and the layers of subconscious and conscious sensations combine like the pieces of a jigsaw puzzle. His expectations from his readers are completely different; he does not aim to raise their educational level; he starts from the assumption that they are well-read (he does not explain any accidental mythological references) and with thorough knowledge of English. This attitude towards the readers is proven by the fact that the book is abounds in whole sentences in English: "You have a very good energy, Sega!" or "And now, let's celebrate the 10,000 Buddhas". Other times there are simply words inserted in the text, which continue the idea expressed in Romanian: "Pe tine cum te cheama, *beloved?*" or "A iesit din depresie si s-a gandit sa mai *hang around* o vreme". All these English instances are marked in the text by the use of italics.

It is obvious that the two Romanian authors are not typical tourists. In fact, they do not even see themselves as tourists at all. Their travelling objectives are completely different than the drives behind regular tourists' adventures: Dumitriu-Snagov pursues some research purposes and although he combines his academic activity with sightseeing, his tourist travels are well-documented, and his visiting interests go beyond the superficial taking in of information provided by professional guides. He prefers to go across by land, accompanied by local friends, since he claims he is genuinely interested in discovering authentic India: "I could go *across* India and think *in* India, not merely capture, in grasshopper leaps, landscapes in between flights" (23). In turn, Sega is not particularly interested in sightseeing. He came to India with a very clear purpose in mind: that of joining an ashram in the hope that he would eventually find the path towards self-illumination.

Todorov (1999) classifies travellers into several categories among which the assimilator, the tourist, the impressionist, the assimilated, the exiled, the disillusioned and, finally, the philosopher. We could include the two Romanian authors in this last category. According to Todorov, there are two sides of the so-called philosophic travel: humility and pride, just as there are two trends associated with it: lessons to learn and lessons to teach. Usually, the "philosopher" undertakes a trip with the main aim of exploring the deeper self (which is particularly true in Sega's case).

The means to this end is precisely the contemplation of differences which is the best way of reaching deep within. This may well refer to Sega, since he considers his trip to India as an opportunity to learn the lesson of self-discovery. Dumitriu-Snagov, however, does not manifestly express a desire to acquire some sort of revelation, although, if one were to read between the lines, he considers revelations inherent if you live the Indian experience at a spiritual level as well. In Dumitriu-Snagov's case, as Todorov claims, "noticing differences is only the means to discover the characteristics of things or beings, of situations or institutions. Due to his travels abroad, the philosopher discovers the universal horizons (although they may never be definite) which allow him not only to learn, but also to judge" (474-75). Indeed, in "India. Meridianul Gandhi", the author does not necessarily judge, but filters his Indian experiences through the lenses of the socialist doctrine. Adherence to the doctrine is particularly visible when he praises the nation's grand achievements, making use of an entire repertoire of socialist concepts, and blames on religion people's deplorable condition of extreme poverty.

This consideration of travellers as "philosophers" suggests another very significant aspect of travelling in terms of confrontation with a completely distinct culture. This is particularly relevant when comparing two culturally remote spaces such as India and Romania. The larger the cultural gap between the two interacting cultures, the stronger the reactions of persons faced with this situation. One's own identity is visibly challenged by the confrontation with alterity. Generation-old conditionings and standards deeply rooted in one's own country may shudder and reveal their fragility when the Other presents his own set of values and vision of life. In the foreigner's eyes, comparisons may ultimately be positive or negative. But if he truly seeks an identity appraisal, the encounter with otherness is compulsory. According to Hall, "identities are constructed through, not outside, difference. This entails the radically disturbing recognition that it is only through

the relation to the Other, the relation to what it is not, to precisely what it lacks, to what has been called the constitutive outside" (2000, 17) that the identity can be positively shaped.

The effect of the confrontation with alterity is sometimes increased by the exotic nature of the destination. This is particularly true when the destination is India and the travellers originate from European countries, for instance. The exotic reveals itself in every aspect of everyday life, from cityscapes to traditions, customs, gastronomy and the locals' look and appearance.

However accustomed the traveller may be with the destination, as is the case of Dumitriu-Snagov who was not for the first time in India, it is impossible to avoid any reference to cultural difference. Although the author himself does not express any form of bewilderment or culture shock, he explains various concepts and ideas to his readers. For instance, he explains what papaya is like – "fruit from the same family as the water melon, extremely juicy, with a refreshing flavour and reddish pulp" (36). The author also remembers one of his first encounters with aspects of the exotic that happened during one of his previous trips: "I remember my surprise at seeing the huge banana bunches and how Radha laughed at my comparison with corn cobs!" (37).

Dumitriu-Snagov's approach to Indian realities is an attempt at taking the reader as close as possible to the Other, at bridging differences and facilitating a cultural dialogue in which the potential interlocutors have all the necessary information about each other. In a way, he translates Indian culture to Romanian readers. This is the general impression one is left with after finishing the book. This feeling is also heightened by the fact that the author chooses to explain every possible cultural concept, such as the role of *devadasis*, some sort of Roman vestals, or the meaning of the Bharatanatyam dance. In addition, at the end of the book there is a glossary with Indian concepts, both proper and common nouns, that he recurrently used in the book.

Although for the first time in India, Sega does not necessarily seem to be utterly surprised by what the country places before his eyes. His first impression is sensorial – "It seemed that all the spices of the earth had gathered above this place" (10). He experiences the monsoon through the filter of his job, that of a former advertiser: "*Indian Monsoon,* 150 ml. A spherical recipient with a coral red liquid held by Aishwarya Rai, with an equally red dot between her aristocratically arched brows. […]Aishwarya Rai is wearing a green silk sari and is lit by a full golden moon, half hidden by the clouds of a violet night" (*ibid.).* It is an attempt at experiencing the foreign through the perspective of the professional.

Both authors resort to comparisons with their native land. It is an unavoidable process, an automatic reaction to the encounter with the new. It is also a means of finding one's comfort zone by subconsciously searching for similarities in difference. When the universal reveals itself in the particular, it is easier for the foreigner to find his place in the new geographic and cultural space, which, due to such similarities, seems to lose some of its strangeness. Although he inevitably draws comparisons with Romanian realities, these are scarce and telegraphic in Sega's case, suggesting that he is willing to fully forget about his past life and embrace this new experience whole-heartedly (he even confesses: "The country that I left 15 hours ago is already a memory devoid of any flavour and colour, as if belonging to a different life"). For instance, when he is literally assaulted by the crowd of

taxi drivers at the airport, Sega says: "Guys, I come from Romania, so I'm not that easily impressed (11)", thus alluding to the chaos to be also found in Romania in a similar situation. When he finally gets on a taxi, he actually realises that taxi drivers are pretty much the same all over the world, with small differences of nuances: "There are no small crosses or icons stuck onto the windshield of the taxi I got in, but Sai Baba of Shirdi, Krishna and Ganesh" (21). The practice is identical, what differs are the deities.

Dumitriu-Snagov's parallelisms with Romania inscribe within the orientation of the book towards the mediation of Indian exoticism. One such example is the comparison between the temple of Meenakshi and Sarmizegetusa: "Nowhere else but at Sarmizegetusa will you find terms of comparison with the temples of India, elements where ancient traditions preserve the symbolism of the celestial order of the column… the column devoid of any architectural function" (55). Other examples refer to comparisons of worshipping rituals or aspects of countryside lifestyle.

As proven by the two writings under study, the Indian subcontinent has not lost its appeal to travellers in over thirty years. On the contrary, its charm and blending of spirituality and reality seem to exert an increasing fascination over 21st century travellers. The distinct approaches to India displayed by these two authors further highlight the never-ending possible interpretations provided by this country full of history and contrasts. Apart from indicating the evolution of the Romanian travelogue dictated by the natural changes at the level of readership expectations, perspective on exotic destinations and degree of auctorial visibility within a thirty years' time span, the comparative analysis of the two writings has also revealed the versatile nature of travel writing, which allows for both highly subjective reflections of a given destination, and more objective accounts of the same destination. Without placing themselves at total extremes, Dumitriu-Snagov's "India. Meridianul Gandhi" and Sega's "Namaste. Un roman de aventuri spirituale in India" reflect two attitudes towards a country which is constantly changing its face, with the natural consequence that such changes trigger a shift of travellers' approach to its realities.

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DARK TOURISM – A NICHE SEGMENT FOR THE ROMANIAN TOURISM

Patrichi Ioana Cristiana[1]

Abstract

In the last decades dark tourism has become a significant niche segment of world tourism. Locations marked by the occurrence of catastrophic natural events have attracted a large number of tourists, as well as different sites related to the production of mass massacres or genocide. The human mind is complex. Why tourists are attracted to these places is still a subject of intense discussion by experts in the field of tourism. It may be a feature of the current period or it might have reasons related to local history, or with the lost of loved ones etc.

In Romania there are a few such places that may be included in package tours and have enough potential to attract a greater number of tourists. Such places are Merry Cemetery in Sapanta, Bellu Cemetery in Bucharest or Sighetul Marmatiei Prison, one of the dark prisons of communism, especially used for the extermination of the Romanian elites, both cultural and national and religious. Tourists are more attracted to such places mostly out of curiosity, although for most of these places stir up bad memories.

This paper aims to analyze the potential for development of dark tourism in Romania and which are the possible destinations for this. Is there a market for this segment of tourism in Romania? Who could be potential tourists?

Keywords: dark tourism, dark places, Romanian potential, dark destinations.

1. Introduction

Dark tourism is also known in academia as Thanatourism, which derives from the ancient Greek word thanatos, or the personification of death. Of course, tourists' fascination with death is nothing new. Since ancient time people turn their attention to places related to violence or death. Perhaps the first signs of black tourism are related to the organization of gladiators fighting in the Colosseum in Rome or the onlookers at the sacrificial religious rites of the Maya.

Just like the Romans and Jews, Egyptians and many other cultures of that time included torture in their systems of justice. If the Romans had crucifixion, Jews had stoning (hitting rocks) and Egyptians had exposure to the scorching sun of the desert, which ultimately lead to death. All these public torture were considered necessary to discourage and punish immorality sins.

 Later in the medieval period, people were attracted to public executions. For them it was a special event, attended with pleasure and that in some cases people were coming from miles away. Whether it was a witch burned at the stake or a thief beheaded or

hanged, the interest of the people was the same. Let`s not forget that in France, Queen Marie Antoinette was guillotine on 16 October 1793, and her death represented an important event for the population of those times.

People`s interest in death intensified during the Romantic period of the late 18th and early 19th centuries with attractions like Waterloo and the ruins of Pompeii. This was considered by Tony Seaton, an early dark-tourism researcher, the greatest thanatoptic travel destination of the Romantic period.

In the nineteenth century in England correction houses were built for visitors paying special galleries those perpetrators of torture as an entertainment activity (Stone, 2006).

Today people are looking for this type of dark spots, but there is a big difference between what happened hundred of years ago and the reality of present days. After the terrorist attacks of 11 September 2001, a significant number of tourists headed to Ground Zero in New York with different motivations. Also, Thailand and Indonesia have been a place of pilgrimage after the passage of the 2004 tsunami. In the same context, the death of Princess Diana has attracted a large number of tourists in London, arrived in sign of respect and to pay homage to it.

2. About dark tourism

Since when the concept of dark tourism started being used?

In 1996 the dark tourism concept was defined by Lennon &Foley, as "...the phenomenon which encompasses the presentation and consumption (by visitors) of real and commodified death and disaster sites". They also try to refine this definition even further by noting what actions do and do not constitute dark tourism. In their opinion friendds and family visiting sites of dark tourism is not categorized as dark tourism.

Stone, 2011 said ".... there is no universal typology of dark tourism, or even a universally accepted definition, there has been an increasing trend amongst scholars to use dark tourism to scrutinise broader socio-cultural considerations, managerial and political consequences, or ethical dilemmas".

Tarlow (2005, p.48) defines dark tourism as "visitations to places where tragedies or historically noteworthy death has occurred and that continue to impact our lives" – a characterisation that aligns dark tourism somewhat narrowly to certain sites and that, perhaps, hints at particular motives. This is not a complete definition (Stone, 2011) because it excludes many "shades" of sites and attractions related to, but not necessarily the site of, death and disaster (Miles, 2002; Stone, 2006).

Regarding the main types of dark places, in the international literature references are frequently either to destinations such as the Sixth Floor in Dallas, Texas (Foley and Lennon, 1996) or visits to cemeteries around the world, either because members of family where buried there or because there are graves of celebrities (Seaton 2002, Alderman 2002), about the Holocaust (Ashworth 1996), a famous prison (Strange and Kempa 2003), or places related to the practice of slavery (Dann and Seaton 2001). The diversity of these places is so high that it is quite difficult to cataloging them.

According to Stone, 2006, there are seven types of "Dark Suppliers":

- Dark Fun Factories – Dungeon concepts by Merlin Entertainment Ltd.;

- Dark Exhibitions – with educational opportunities, such as Human Body Exhibitions;

- Dark Dungeons – like Galleries of Justice in London;

- Dark Resting Places – with examples like Père-Lachaise in Paris or Bellu Cemetery in Bucharest;

- Dark Shrines – this are often constructed close to the site of death and within a very short time period of the death occurring; Michel Jackson`s house, Pont d`Alma in Paris, the place where Lady Diana had the accident, the hotel were Whitney Houston died are good examples of Dark Shrines.

- Dark Conflicts Sites – different battlefields, like Waterloo in Belgium.

- Dark Camps of Genocide - like Auschwitz- Birkenau in Poland or Sighet Prison in Romania.

The international literature indicates that a number of individuals visit sites of dark tourism for personal reasons (Yuill, 2003). "Some visit such sites as a socially feasible way of expressing interest in death and disaster" says Yuill. Other people come to learn about the history behind an event or about the history of that place. There are some who travel to commemorate family, friends or their own experience (for examples the veterans and their families or the survivors of September 11 or 2004 tsunami catastrophe in Thailand or Indonesia). Some other people visits different places because of feelings of guilt, and finally, some may come to simply out of morbid curiosity.

3.Auschwitz – the most representative place for European dark tourism

Known as the largest Nazi death camp, Auschwitz has become emblematic place for the implementation of the final solution, a major element in the implementation of the Holocaust, and it is estimated that at least 1.1 million people were killed there, over 90% of them were Jewish. Auschwitz is the symbol of terror, genocide, and the Holocaust. According to Auschwitz.org (the official webpage), the place was established by Germans in 1940, in the suburbs of Oswiecim, a Polish city that was annexed to the Third Reich by the Nazis. Its name was changed to Auschwitz, which also became the name of Konzentrationslager Auschwitz.

The three main camps were:

- Auschwitz I, the original concentration camp which was established on the grounds and in the buildings of pre-war Polish barracks; It was used as the administrative center for the whole complex, was the site of executions of about 70,000 people, mostly Poles and Soviet prisoners of war (the number of prisoners fluctuated around 15,000, sometimes rising above 20,000).

- Auschwitz II (Birkenau) extermination camp was the largest part of the Auschwitz complex. It was the place where at least 1.1 million Hebrew, about 75,000 Poles and 19,000 Gypsies were killed. (which held over 90,000 prisoners in 1944)

- Auschwitz III (Monowitz), which was used as a labor camp for the Buna-Werke factory belonging to IG Farben concern.

The story behind Auschwitz it is deeply sad. We can only imagine the terrors that have been going on between the prison walls. Children sentenced to death without any

chance to grow up, women and elders sent directly to the gas chamber, adults put to work to exhaustion. It was a tough and black period for humanity.

Auschwitz functioned until 27 January 1945, when the last prisoners were liberated.

Poland founded a museum on the site of Auschwitz I and II which was officially opened on 14 June 1947 and in 1979, it was named a UNESCO World Heritage Site.

Since its opening, the world's interest in the Memorial showed no signs of dwindling. In 2012 it was establish a record with 1.43 million people who visited the site of the former Auschwitz camp. According Sprawozdanie Report the past six years the number of visitors was over a million each year.

Tabel 1. Evolution of number of visitors at Auschwitz-Birkenau (Source: Sprawozdanie Report, 2013)
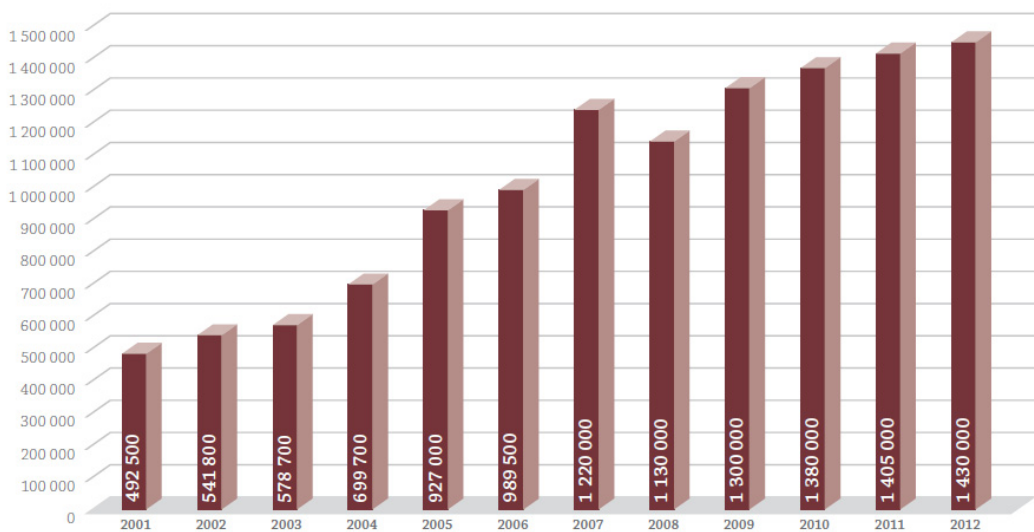
As it can be seen in the previous table, the number of visitors at Auschwitz-Birkenau has grown with almost a million in the past ten years. This shows the growing interest of the people for dark history.
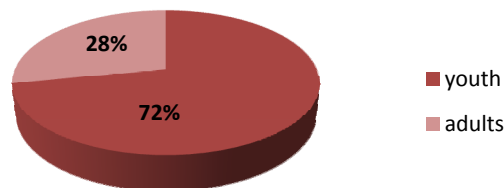
Figure 1. Distribution of tourists by age, 2012 (Source: Sprawozdanie Report, 2013)

The fact that the history books are presenting the Holocaust and its consequences led to a higher interest among young people in history. The statistics are showing a high percentage of young people visiting the place.
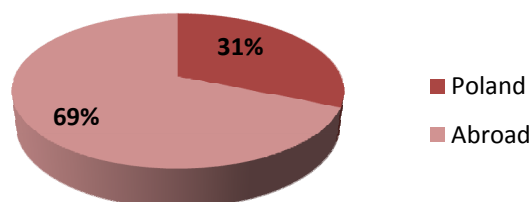
Figure 2. Distribution of tourist- national or foreigner, 2012 (Source: Sprawozdanie Report, 2013)

As it can been seen in the previous figure, in 2012 the number of foreign tourists who visited Auschwitz exceeded the number of Polish tourists. The top 10 visitors by country includes European countries like United Kingdon, Italy, Germany Israel etc., and people from outside Europe (United States and South Korea).

Table 2. Visitation Statistics at Auschwitz-Birkenau by country, 2012 (Source: Sprawozdanie Report, 2013)

1	Poland	446300
2	United Kingdom	149200
3	United States	96900
4	Italy	84500
5	Germany	74500
6	Israel	68000
7	France	62000
8	Spain	54300
9	Czech Republic	48100
10	South Korea	46500

According to Sprawozdanie Report (2013), in comparison with 2011, the attendance rose most among visitors from Canada - up 200 percent and the U.S.A.-up 85 percent. There were also significant rises in visitors from the U.K., Italy, Israel, Germany, and Spain.

4. Dark resources in Romania – Sighetul Marmatiei Prison

In 1897, when the area was part of the Austro-Hungaria Empire, the prison in Sighetu Marmaţiei was built as a prison for criminal offenders. By 1945, at the end of

World War II the Sighet prison was chosen to be the place where the repatriated Romanians who had been prisoners of war and deportees in the Soviet Union will stay imprisons. After that, in August 1948, once communist power had been consolidated in Romania, Sighet prison was reserved for political opponents of the communist regime.

At the beginning, it held a group of students, pupils and peasants from the Maramureş region and it must be mentioned that many of the surviving prisoners are still living in Sighet today.

In 1950, on May 5 and 6 over one hundred former dignitaries from the whole country were brought to the Sighet penitentiary (former ministers and other politicians, as well as academics, economists, military officers, historians, and journalists), some of them sentenced to heavy punishments, and others held without any form of trial. It should be mentioned that the majority of them were over 60 years old.

Many important figures of inter-war Romania died in custody, including the leader of the National Peasants' Party and former Prime Minister of Romania, Iuliu Maniu.

Sighet Prison was considered "work unit", known as "colony Danube" but was, in reality, a place of extermination for the elite of the country and at the same time a safe place where they could not flee, Soviet border being located less than two kilometres (adevarul.ro). In addition to constant abuse, detainees were held in Sighet prison in unsanitary conditions, were miserable fed and laying on the bad was forbidden during the day (in non heating cells).

The Sighet prison it is known as a special place not only for the living but for the dead, considering that during 1950-1955 there weren`t made death certificates for the deceased and their families weren`t notified on their death. It was only after 1957 that death certificates began to be written.

In 1977 the prison was decommissioned and became broom factory, salt and finally, an abandoned ruin.

Later, Sighet Prison was decommissioned and turned into a museum (1992). Today it houses the Memorial to the Victims of Communism and of the Resistance Museum, but stories about how the prisoners were treated there, tortured to death, are still present in the memory of the Romanians.

Tourists who visited the prison and found out about the terrors endured by prisoners said they remained marked for life. There aren`t official statistics published regarding the number of visitors and this is a negative aspect. Unfortunately, the number of visitors is still a rather small one. Regarding the nationality, the majority of tourists are Romanians, extremely few foreign tourists come to visit this area and this dark tourist attraction.

Auschwitz is certainly the most dramatic place on the map of dark places in Europe and the world, but also Sighet prison can be placed on such a map.

With a more pronounced promotion, tourists can learn about this place and can include it in tourist circuits that are in the area.

5. Dracula Myth – a source for dark fun factories

Vlad Dracula, nicknamed Vlad Tepes *(Vlad the Impaler),* was the ruler of Walachia at various times from 1456-1462. He was born in 1431 in Sighisoara, he resided all his adult

life in Walachia, except for periods of imprisonment at Pest and Visegrad (in Hungary). Somehow, his name inspired a lot of writers, but it was Bram Stoker in his book *Dracula* that introduced the story of Count Dracula to the entire world.

There are people saying that Transylvania sits on one of Earth's strongest magnetic fields and that its people have extra-sensory perception. Transylvania is also home to Bram Stoker's Dracula, and it's easy to get caught up in the tale while driving along winding roads through dense, dark, ancient forests and over mountain passes. In the Romanian folklore, tales of the supernatural had been circulating for centuries when Stoker picked up the thread and spun it into a golden tale of ghoulishness that has never been out of print since its first publication in 1897. To research his immortal tale, Stoker immersed himself in the history, lore and legends of Transylvania, which he called a "whirlpool for the imagination."

Stoker has never been to Romania, but he crammed his book with descriptions of many real locations that can still be visited in present-day Romania. Sighisoara, **Old Princely Court** *(Palatul Curtea Veche)* in Bucharest, **Snagov Monastery** (the legend says that Vlad's remains were buried here), the ruins of the **Poenari Fortress,** considered to be the authentic Dracula's Castle, the village of **Arefu** where Dracula legends are still told and, of course, **Bran Castle.**

Some tourism agencies are offering different types of Dracula theme tours but they are not very well promoted. It was also a project called "Dracula Park", an amusement park based on the story of Bram Stoker (it could have been included in the Dark Fun Factories Stone`s category), but the project never came to reality. Tourist are visiting mostly Bran Castle, listening to stories about Vlad the Impaler at that is all they can do.

6. Conclusions

This paper has attempted to construct a conceptual framework of the dark tourism and also to see if Romania has resources for this type of tourism. Unfortunately Romania did not exploited the dark spot so good until know. Tourists do not know very well (except for Bran Castle, linked to Dracula's name) this dark spots available in our country. Also, there are no statistics on the number of tourists visiting the dark sights. We think that it is important to start with a good promotion of these objectives, then creating complex touristic packages and then introducing other dark spots into sightseeing tours.

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*** *Sprawozdanie Report, 2013, http://en.auschwitz.org/*

*** *Dracula – beyond the legend,* http://www.romaniatourism.com/dracula-legend.html

INTERCONNECTION OF CULTURAL TOURISM AND OTHER FORMS OF TOURISM AND DIVERSIFICATION OF SERVICES – AS A CONSTITUTIVE PART OF THE STRATEGIC PLANS OF TOURISM COMPANIES

Lecturer Marian – Florin BUSUIOC, Ph D
Romanian American University
mf_busuioc@yahoo.com

Abstract

The tourist practice is seeing new processes of structural change in the composition of customers, by a gradual transition of a considerable number of tourists from the categories of clients with a mostly "passive" behaviour into the category of the "conditioned active" and "active" tourists, respectively. Knowing the fact that tourism has always had an active character and a tendency to diversification, based on the existence of a set of tourist motivations and requirements, since tourists are always on the move, one can say that cultural tourism often intersects with other forms of tourism.

Keywords: tourism, strategie, development, destination, services

JEL Classification: M21, M31, Q26, Q56

Highlighting, and capitalizing on, the domestic tourism attractions of an area, resort, town or village, and so on, is strongly conditioned by the content of the tourism benefits, the diversity and the quality of the services provided by the organizers of tourism trips and the tourist service providers.

Among the reasons that determine today's tourist to accept a certain form of tourism, a certain travel arrangement option, a certain travel destination, etc., is, at the very forefront, the factor of attractiveness, generically called "leisure", i.e. the pleasure, relaxation, or entertainment accompanying the tourist's active leisure, so much required in enjoying one's free time during holidays or vacations.

At first sight, the concept of active rest (or active holidays) seems a contradiction, a nonsensical notion, because for many tourists holidays are seen as a form of recreation that aims at total liberation from everyday concerns, through the pleasure of doing nothing, by recreation (e.g. long sleeping hours, lazing on the beach, reading, etc.).

The explanation of this phenomenon lies in the reminiscences of the excessive use, in the not too distant past, of physical and intellectual energy by the active population in the production processes, versus the available free or leisure time, which was almost entirely consumed for the needs of passive rest meant to regenerate the labour energy consumed daily.

The total leisure time available (on a daily, weekly or yearly basis) for the population is constantly increasing. On the other hand, as the time spent for passive leisure remains almost constant, there is a growing public demand for active recreation, as an agreeable form of spending (or consuming) one's free time available.

The increasing public concern for the various forms of active recreation is stimulated, among other things, by the increasingly harmful polluting effects of urban type clusters (or centres), e.g. pollution of the air, water, or noise, visual, etc. pollution, caused by the daily bustle of human activities and the traffic of vehicles, which are present in increasing numbers in these complex human clusters. These pollutants constantly act on the ever higher level of physical and mental tenseness of the individuals in contemporary society, a phenomenon which translates in nervous fatigue (i.e. stress), caused by the hectic pace of modern life, sensibly damaging the people's nerve health.

To counterbalance the effects of this type of "stress", specialists recommend that, during the free time, activities that are directly opposite to one's daily professional activities should be pursued. As holiday periods provide increasingly broader opportunities for practising such extra-professional activities, active leisure gradually turns into "active holidays", i.e. a form of relaxation, nerve unburdening, into a modern method of treatment that has no recourse to the administration of drugs, fully able to improve the harmful effects of the above-mentioned nerve overload.

As tourist consumption becomes increasingly a specific form of mass consumption, such concerns for including, in the tourist arrangements provided, a number of formulas of optional active holidays variants, take a growing share in the benefits of travel.

There are no crisp boundaries between active recreation proper and passive recreation. Even in the case of some traditional arrangements, such as "included total??" (IT), where the tourist is provided an agreed range of services in the sojourn location, there is often the spontaneous manifestation of optional service requests for that type of leisure activities, entertainment, leisure recreation (also called "leisure time", or simply "leisure") that meets positive feedback in terms of attractiveness, diversity, originality and the quality level of the benefits.

Thus, the tourist practice is seeing new processes of structural change in the composition of customers, by a gradual transition of a considerable number of tourists from the categories of clients with a mostly "passive" behaviour into the category of the "conditioned active" and "active" tourists, respectively. The larger issue of categorizing active or passive behaviour types becomes more easily understandable if one takes into account the classification below, which – notwithstanding its concise character – reflects the potential of service demands in a resort (or zone) where the tourist has decided to spend his/her holiday time.

In conducting tourism activities, various combinations are commonly used of the different types of tourism aiming at increasing the tourist attractiveness of the location, and showcasing, along with famous tourist attractions, other, less known sights.

Thanks to the recent innovations and investment in tourism, these forms have greatly diversified from one decade to another. In addition, the increased performance of transport has greatly accelerated this phenomenon.

Knowing the fact that tourism has always had an active character and a tendency to diversification, based on the existence of a set of tourist motivations and requirements, since tourists are always on the move, one can say that cultural tourism often intersects with other forms of tourism. Generally speaking, the **cultural** idea can be applied to any form of tourism whose aims lie beyond mere recreation and rest, and takes into account the exploration of the local and regional horizon. As a matter of fact, the purpose of every tourist trip is, apart from physical and mental relaxation, the enrichment of one's cultural horizon and the spiritual enrichment of human personality. In this respect, a number of cases of interference between cultural tourism and other forms of tourism known can be presented:

▪ the relationship with medical and spa tourism, based on the natural factors. As a matter of principle, medical or treatment tourism is the priority, meaning that the tourists stay longer, focusing on the improvement in, and/or prevention of some disease, or on decreasing the phenomenon of stress. This form of tourism is generally based on a stable clientele, who does not always take into account a well-defined seasonality. In addition to covering a set of therapeutic procedures, tourists are interested, in their spare time, in knowing the tourist resort better, as a human settlement, and taking tours of the surroundings. The duration of the relaxation or leisure is shorter, but it allows tourists to visit and get to know some key cultural objectives (e.g. participation in outdoor shows, festivals, events and competitions, visits to museums, memorial houses, artisans' workshops, parks and gardens, botanical and zoological gardens, protected areas, etc.).

In fact, it seems that the tourists who come for spa treatment are the most interested in, and prone to, the wish to change the medical type of milieu for a recreational one, more exactly to know novel, still unseen places and tourist attractions.

▪ the relationship with mountain tourism takes account of the existence of two essential components of this type of tourism: mountain hiking in summer and practising winter and sun sports. This kind of tourism includes significant inflows of tourists, and occupies a large share compared to other forms of tourism.

The leisure time tourists have at their disposal is relatively limited because it is held by hiking along the mountain trails and practising winter sports. In this context, during the summer season, passionate mountain tourists have the opportunity to visit some mountain resorts, small local museums, memorial houses, nature reserves, nature monuments, or the anthropogenic monuments represented by monasteries, hermitages, crucifixes, commemorative crosses, etc. In many cases, mountain tourism (or mountaineering) is practiced only at the week-end, and then the tourists' possibility of visiting cultural sights is quite reduced. More often than not, the tourists in this segment are interested in participating in events and traditional celebrations or festivals (e.g. the Snow Holidays, the Maidens' Fair on Mount Găina, etc.).

▪ the relationship with seaside tourism is especially evident in recent years, because it is no longer recommended to take sunbaths and sun treatment over long periods of time. Out of the hours spent on the beach, tourists are interested to know other tourist attractions. In general, this form of tourism has a high share in the overall tourism activity, and the tourist flows are quite important.

During their spare time, many tourists are attracted to visiting the museums of natural sciences, specializing in marine fauna and flora, to visiting museums of history and

archaeology, or art museums, to go to the theatre, outdoor music shows, various exhibitions (painting, sculpture, tapestry, clothing, philately, numismatics, etc.). Others prefer some specific sports competitions (yachting, yawl sailing, kayaking, golf, tennis, etc.).

Diversification of cultural activities in seaside areas is beneficial because it is designed to extend the tourist season by one to two weeks, and also to increase foreign exchange earnings, which, in seaside tourism, focus in the main on the basic services.

▪ the relationship with ecotourism and scientific tourism, mainly relying on visiting various national natural parks, or nature reserves. In general, in the periphery of these protected areas there are numerous settlements, which are mainly rural. Along with getting a knowledge of particularly interesting species of flora and fauna, visiting places with beautiful natural scenery, tourists can also know traditional lifestyles. Many tourists are interested in buying gifts, souvenirs typical of the region they visited, or participating in a number of local, traditional celebrations and festivals, and maybe learning the secrets of artisan crafts.

▪ the relationship with business and congress tourism features, in the foreground, various leisure opportunities outside the professional issues. In general, the segment of tourists participating in such activities use a variety of tourist resources, in most cases high quality ones. These tourists are more interested, particularly when they are in other countries or regions, in participating in tours of a documentary type, or in cultural and artistic events.

Since many such business meetings, scientific seminars, workshops and conferences are conducted in large urban centres, some having the status of capitals, the participants usually visit the national museums or memorial houses of famous personalities.

▪ the relationship with rural tourism and agrotourism is essentially based on the characteristic features of rural settlements. Besides the return to nature, to the benefits of a healthy diet, tourists are also interested in leisure activities and active relaxation. A special place is held by the ethnographic value of the area where the villages integrate, since traditional crafts, local handicrafts, religious and agricultural or pastoral customs and festivals, are component parts representing as many tourist attractions.

Tourists are willing to participate in celebrations, ethnographic events having to do with family-related events or that involve the whole local community (e.g. wedding parties, baptisms, funerals, vineyard harvesting, fruit picking, driving the sheep flocks down from the high mountains, etc.). In many rural areas there are museums, memorial houses, special cultural sights, both religious and secular monuments, which can, whatever the season, attract the visiting tourists or the tourists on a short-stay schedule.

Assessing these relationships between the form of cultural tourism and the other forms of tourism is based on how the historical heritage is preserved and transmitted down the successive generations.

Conclusions

Depending on the dominant form of tourism and these interferences that occur over time, the opportunities can be established in point of developing and modernization of tourist services, as well as the most appropriate means of promotion. Accepting attractive forms of tourism can be based on combining those forms of tourism by means

of which the whole tourism potential of a local (urban and / or rural) community is turned to best account in economic terms.

The existence of varied activities decreases the seasonality, orientation, volume, intensity and duration of tourist flows in a given geographic area. It also produces the phenomenon of supporting a higher standard of travel benefits, of continued diversification of supply and renewal of products based on the components of tourism potential.

Through this approach to cultural tourism, its structural complexity becomes clearer, no less than its interrelation with other tourism activities, determining the socio-economic development of human settlements. It also reduces the pressure due to high tourist flows on a certain type of significant or potential tourist attractions, and facilitates compensation by drawing into the tourist circuit other attractions, which are less vulnerable and valuable.

Any change in the dynamics and structure of some forms of tourism has direct influence on other forms of tourism. The reputation of a tourist destinations can become permanent specifically by developing the connection between the many forms of tourism known.

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ROMANIA'S ADVANTAGES IN THE COMPETITION OF THE EUROPEAN TOURISM

Andreea Băltăreţu[*]

Abstract

Nowadays, Romanian tourism, just like the global tourism, is characterized by a strong competition among tourist destinations. Therefore, travel destinations (resorts or countries) need more and more a new model of tourism policy able to influence their competitiveness position under the current competitiveness conditions. Tourism represents a key domain in which our country could excel. Romania is one of the most diversified countries when it comes to the tourist products that it offers (natural and anthropic resources, unique flora and fauna European biodiversity).

Keywords: competitiveness, advantages, tourism, tourist destination

JEL Classification: L83, O10

1. Introduction

Although from an economic point of view the notion of tourism competitiveness defined as being "the capacity of dealing with a competition in an efficient and rentable manner inside the tourist market" can be integrated in the notion used by the field literature, tourism's specific content determines a complex and multidimensional approach of this concept. This is necessary if taking into account a series of peculiar features of the tourist product.

First of all, we must highlight the fact that the multitude of components that are used in conceiving and trading a tourist product transformed the development of its competitiveness into a complex process realized with the help of: both the tourist resort's competitiveness and that realized at the level of each type of tourist enterprise: direct tourist service provider: transportation, accommodation, alimentation, recreation, treatment or intermediary: tour operator, travel agency etc.

Moreover, from the tourist's point of view, the product covers the entire experience from leaving home till returning back home, the existence of a deficiency at the level of a single component being enough for affecting the global level of competitiveness.

At the same time, we must underline the fact that most of the times a tourist destination overlaps or can be encountered near a local community: city or rural settlement

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[*] Associate Professor, Faculty of Touristic and Commercial Management, Bucharest, "Dimitrie Cantemir" Christian University, baltaretuandreea@yahoo.com

with economic, social and cultural life influencing more or less the tourist activity, the former being influenced in its turn by the latter.

2. Factors that determine the competitiveness in tourism

The starting point in establishing the strategy for ameliorating the competitiveness position is represented by the **competitiveness' determining elements** which are mainly provided by:

a) Factorial conditions, respectively:
➤ Natural and cultural resources;
➤ Capital and infrastructure resources;
➤ Human resources.

The combination of the three factor groups forms the basis for establishing a destination's competitiveness position.

b) Bidders' quality and structure;
c) Market structure and organizational structure;
d) Conditions of request's manifestation and offer's adaptation;

Therefore, the first **Travel and Tourism Competitiveness Report** established by the

World Economic Forum was published in 2007, the data covering 124 countries. In **2011**, the same report covers 139 countries, including Romania. It measures the factors which determine the attractiveness of a country's tourism. The grades given for each factors varies between 1 (low performance) and 7 (high performance). The analyzed categories were: the legislative frame, the business environment and infrastructure and natural, cultural and human resources. In their turn, these 3 categories include 14 subcategories.

Hence, the **regulatory framework** includes:
- Politicy rules and regulations;
- Environmental sustainability;
- Safety and security;
- Health and hygiene;
- Prioritization of Travel@Tourism.

The business environment and infrastructure refer to:
- air transport infrastructure;
- ground transport infrastructure;
- tourism infrastructure;
- information and communication, technological infrastructure;
- price competitiveness in the Travel@Tourism industry.

Natural, cultural and human resources cover the following sectors:
- human resources;
- affinity for Travel@Tourism;
- natural resources;
- cultural resources.

After analyzing these aspects, Switzerland was the country to occupy the first place, obtaining a 5.68 score, followed by Germany with a 5.50 score and France with 5.41. Of all the 139 analyzed countries, **Romania occupies the 63rd place with a total score of 4.17**.

In **2013**, the same report covers 140 countries, including Romania. After analyzing all aspects, Switzerland was the country to occupy the first place, obtaining a 5.66 score, followed by Germany with a 5.39 score and Austria with 5.39. Of all the 140 analyzed countries, **Romania occupies the 68th place with a total score of 4.04** in what regards the three categories, meaning the regulatory framework inside which it occupies the 66th place with a 4.61 score, the business environment and infrastructure, Romania occupies the 68th place with a score of 3.67, and in what regards the natural, cultural and human resources, our country occupies the 73rd place with a low score of only 3.85.

Tabel no. 1 Romania's situation when the subcathegories were analyzed in 2012

Politicy rules and regulations		Environmental sustainability		Safety and security		Health and hygiene		Prioritization of Travel@ Tourism	
Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
87	4,33	58	4,67	63	4,89	54	5,36	103	3,77
Air transport infrastructure		Ground transport infrastructure		Tourism infrastructure		Information and communication, technological infrastructure		Price competitiveness in the Travel@Touris m industry	
Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
93	2,59	109	2,87	34	5,07	59	3,42	84	4,41
Human resources		Affinity for Travel@Tourism		Natural resources		Cultural resources			
Rank	Score	Rank	Score	Rank	Score	Rank		Score	
83	4,73	122	4,11	88	3,25	41		3,31	

Source: *The Travel & Tourism Competitiveness Report 2013, World Economic Forum*

Of all the 14 analyzed elements, Romania occupied the best position, 34th, when it came to tourism infrastructure and the lowest position, 122, when it came to affinity for Travel@Tourism. The highest score, 5.36, belonged to health and hygiene and the lowest, 2.59, appeared in the case of air transport infrastructure.

As a result of launching **Romania's tourism brand** (Romania – Explore the Carpathian Garden) in 2010 in Shanghai, market researchers highlighted **Romania's top six most competitive tourist products**:

  ➢ cultural circuits;
  ➢ nature-based tourism;
  ➢ rural tourism;
  ➢ city break packages;

➢ active and adventure tourism;

➢ balneary and wellness tourism.

In the same context, it had been established the fact that our country's main competitive advantages are nature and virgin landscapes (the Carpathians, the Danube Delta), the uniqueness of the cultural patrimony (the UNESCO sites) as well as the culture and lifestyle's authenticity.

Moreover, Bucharest occupies the 21st place in the top 100 most dynamic cities when it comes to international tourist arrivals. The increase of human resources and tourist services' quality represents the first priority for the Romanian tourism's competitiveness, increasing the exports of Romanian tourist services.

3. Romania's competitive advantages in tourism

Romania presents numerous major **competitive tourist advantages** in comparison with the other EU member states or adhering countries, such as:

➢ variety and richness of biodiversity and of biogeographical regions of Romania;

➢ rich and varied tourist resources such as the Black Sea, the Danube Delta, the Danube and the Carpathian Mountains;

➢ coastline and beaches of the Black Sea;

➢ favorable geographic and geopolitical position. As a result of its geographical position, Romania enjoys the existence of a unique biodiversity, both in ecosystems and species as well as on a genetic level;

➢ the existence of numerous protected natural areas;

➢ preserving a natural environment unaltered by human presence and activities;

➢ preserving in an unaltered natural environment some flora and fauna specimens which do no longer exist in other countries or can be visited only in captivity;

➢ The Danube Delta biodiversity (Biosphere Reserve, located in the UNESCO World Heritage and Wetland of International Importance, RAMSAR); its swamps are a unique natural heritage with a rich biodiversity and many species of birds (over 3,000 pairs of pelicans - representing over 80% of European livestock)

➢ three biosphere reserves: - Delta (1991), Retezat (1979), Pietrosul Rodna (1979);

➢ large number of wetlands of international importance in Romania-eight Ramsar sites: - Danube Delta (1991), Small Island of Braila (2001), Mures Floodplain (2006) Fishery Complex Dumbrăviţa (2006) Techirghiol (2006) , Iron Gates Natural Park (2011), Tinovul Meadows Stamps (2011), Comana Natural Park (2011);

➢ the diversity of national parks and protected areas - about 10% of the country - with unpolutted forests, lakes and rivers;

➢ the existence of wilderness areas unaffected by human intervention;

➢ relatively low degree of pollution;

➢ the existence within protected areas of virgin and quasivirgin forests;

➢ the presence of a large number of endemism;

➢ existence of the sites Natura 2000;

➢ the existence of the highest European density of large carnivores;

➢ the presence in the Danube Delta of 60% of the global population of Pygmy Cormorants;

➢ well preserved and valuable customs, traditions and local architecture, Romania being a Latinity island in a Slavic ocean;

➢ highly valuable and attractive cultural-historical and ethno-folkloric patrimony;

➢ the natural environment's beauty and nationally and internationally valuable historical monuments create the premises for obtaining a significant economic input from the domain of rural tourism. This represents a significant request on the tourism market and it implies low risk small investments, representing a resource for rural workforce. At the same time, local tourism also has a strong eco-touristic component and offers a way of an European integration of the Romanian rural society;

➢ 4 Pomme d'Or or Golden Apple prizes awarded by IFTJR (the International Federation of Tourism Journalists and Writers) of the 41 awarded since 1971 places Romania on the first place together with Belgium and Spain, among the most awarded destinations (1975-Moldoviţa Monastery and other monasteries in Bucovina painted with exterior frescoes; 2009, Sibiu Borders - ecotourism area; Danube Delta - Biosphere Reserve; Company Blue Air);

➢ 3 Degrees for European Destination of Excellence (Depression Horezu-2008; Apuseni Natural Park-2009-2010 Geoagiu-Bai - 2010);

➢ 3 European Diploma of Protected Areas (Danube Delta Biosphere Reserve - 2000 National Park Piatra Craiului-2007; National Park Retezat-2009);

➢ wide range of cleaning procedures in health tourism;

➢ large number of caves (about 12,500 inventoried) - 5th place in Europe and No. 9 in the world;

➢ rich fauna and flora with unique species in Europe;

➢ 35% of the mineral water springs from Europe and pits, which offers a large range of spa treatments;

➢ temperate continental climate;

➢ 1/3 of the mineral waters European resources and an entire series of unique mineral resources or not so widely spread in Europe: choke damp gases in the Oriental Carpathians' area, vegetable slime from Lacu-Sarat or lake Techirghiol, exquisite mountain landscapes, the Mud Volcanoes etc.;

➢ a high natural potential for developing ski tourism;

➢ good natural conditions for tourism activities - skiing, hiking, horse riding, cycling, water sports, eco-tourism, extreme sports etc.;

➢ diversity of the heritage - churches, archaeological sites, fortified settlements.etc, including 7 goals / areas which are UNESCO World Heritage (Danube Delta-1991, Church of Moldova-1993; Hurezi Monastery- 1993; Villages with Fortified Churches in Transylvania-1993; Dacian fortresses from Orăştiei Mountains-1999; historic center of Sighisoara-1999; wooden Churches of Maramures, 1999). Romania owns the 7th part from the World Heritage Sites;

➢ 3 traditions on the List of Intangible Cultural Heritage of Humanity UNESCO (Callus Ritual-2005, Doina-2009 and Horezu Pottery-2013);

- ➢ medieval fortress;
- ➢ rural settlements where one can experience the traditional lifestyle;
- ➢ museums - on various topics;
- ➢ musical and artistic world class shows - both classic and modern;
- ➢ a wide range of traditions and folklore festivals;
- ➢ legends – Dracula, Găina Mountain etc.;
- ➢ Sibiu – European Capital of Culture in 2007;
- ➢ resources for developing new tourist products;
- ➢ the entrance on the tourism market of some world operators such as Marriott, Hilton, Holiday Inn and Best Western produced a significant impact in what regards the increase of services provided to tourists, reflected in the evolution of accommodation in superior categories hotels;
- ➢ good network of airports;
- ➢ well represented rail network - the fourth largest in Europe;
- ➢ extensive road network, with many crossing points at borders;
- ➢ air transport company with a large network of destinations and the presence of many other carriers;
- ➢ high quality coaches for interurban transportation and other transportation means by tour operators;
- ➢ a well developed system for river transportation;
- ➢ well developed telecommunications networks - telephone , radio, GSM , satellite;
- ➢ electricity supply for 95% of the country;
- ➢ positive reputation in the anti -aging treatment , even if the medical research is in crisis and the spa sector is no longer motivating the young doctors;
- ➢ existence of an old service experience in mofettes and mines exploitation;
- ➢ dynamic sector for tourism operators;
- ➢ the existence of the National Institute of Research - Development in Tourism (INCDT);
- ➢ comprehensive program to promote tourism abroad - advertising , fairs , media and visits of the tour operators;
- ➢ the annual existence of tourism marketing and promotion program approved by Government Decision;
- ➢ the annual existence of a development programme for destinations, shapes and tourism products approved by Government Decision;
- ➢ the existence of the legal framework that allows development of protected areas and their conservation;
- ➢ the existing tourism brands - Dracula and Transylvania;
- ➢ the existence of the National Tourism Development Master Plan 2007-2026;
- ➢ the existence of the Danube Delta Master Plan;
- ➢ the existence of the Spa Tourism Development Master Plan;
- ➢ the existence of the National Strategy for the Development of Ecotourism in Romania. Launching Romania's Ecotourism Strategy which has as main goal the transformation of our country into a European and global ecotourism destination,

ecotourism being perceived nowadays as a "trendy" tourism form. It can be noticed an increase of the accommodation options in the Danube Delta and Tulcea city, the most concentrated ecotourism development area in Romania.

4. The Romania's tourism disadvantages in the international competition

Despite all these facts, we must also consider **Romania's tourism disadvantages** as compared to other countries, European or not:

➢ the low contribution of the tourism sector to the Gross Domestic Product, respectively

➢ 1.5% in 2012 as compared to countries in the same region, like Bulgaria-3.8%, Hungary-4.2% and Ukraine-2.2% etc.;

➢ A small number of employees in the tourism industry in Romania in 2012, respective 2.3% of the total compared with Bulgaria-3, 5% and Hungary 5, 8%;

➢ low investments in the tourism industry in 2012, respective 7.4% of the total investments;

➢ a negative tourism balance (-297 million Euro; tourism profits of 1128 million Euro and tourism expenses of 1424 million Euro in 2012). For example, Bulgaria cashed 3,7 billion Euro in 2012, Hungary 4,84 billion Euro in 2012 etc.;

➢ the average of the Romanian tourists' expenses abroad is of 128 Euro (anul 2012);

➢ the average of the foreign tourists' expenses in Romania is of 142 Euro (anul 2012);

➢ adverse general infrastructure, especially in what regards the transportation and communication system, as well as tourism services. It is not suitable for a large number of tourists;

➢ large capacity hotels with old and inadequate structures, possessing a constant decrease of the operational capacity; the occupancy rate was of only 25.9% in 2012;

➢ a very low average length of stay as compared to the existing tourist potential, respectively 2.49 days in 2012;

➢ not yet valorized potential of the sector dealing with developing small and medium family businesses in tourism;

➢ mountain tourism is adverse when it comes to the infrastructure of cable transportation systems for persons, these being old and, even if they assure safety for the tourist, they do no longer correspond to the tourist flux's requirements in what regards elements such as velocity and capacity;

➢ the poor functioning state of many treatment facilities;

➢ small number of accommodation places as compared to other countries in the same region, respectively 301109 places in 2012;

➢ problems related to the access infrastructure to archeological sites and architectural monuments, which is old and insufficient; the lack of parking lots with info points that would also promote the cultural objective; the lack of pinnacle points for fortifications, medieval fortresses, churches, historical monuments and monasteries; the lack of special camping places for pilgrimage tourism;

➢ the instability of the governmental institutional frame which has attributions in developing the tourism policy and strategy;

➢ the low and relatively constant number of foreign tourists visiting Romania, respectively 7936694 tourists in 2012 as compared to Hungary, for example, which received 10353000 tourists in 2012;

➢ the large number of Romanian tourists going abroad in 2012, respectively 11148905, an abnormal evolution for a country possessing such a rich and diversified tourism potential;

➢ in 2012, the number of accommodated tourists, 7686489, also presents a big anomaly because by summing up the internal tourist circulation consisting of 15962114 travels and the number of arrived tourists, that is 7936694, we reach the following number: 23898963. Of all these, only 7686489 tourists choose to accommodate in homologated structures, the rest of 16212474 are not registered, this type of tourism being highly practiced in Romania;

➢ if we draw a comparison between the number of the tourist arriving and those leaving Romania, we can conclude that our country imports tourist services, being a country where tourists rather leave than arrive, a highly unusual situation for a tourism destination that possesses almost all categories of tourism resources. This phenomenon can be explained by means of the low quality of services, the recreation resorts' lack of development, the personnel's poor training, the lack of tourism infrastructure, the quality-inadequate price relation etc.;

➢ the tourist density in relation to population and surface register low values (anul 2012): 0.42 tourists/inhabitant, respectively 33.42 tourists/km^2. It is a favorable situation because there is no pressure in what regards the resources and there are no environmental or social conflicts, which makes them more attractive as compared to other countries. On the other hand, the small number of tourists is reflected in the low incomes gained out of tourism, as showed above;

➢ the lack of cooperation between tourist operators;

➢ inadequate facilities when it comes to many tourist destinations; disobeying the current legislation regarding environmental protection, the protection of tourism resources, the constructions regime in various areas, disestablishing local architecture etc.;

➢ inexistence of an inventory of all natural and anthropic tourist resources;

➢ the lack of indicators and markings by means of which tourists could locate the main tourist sites;

➢ the existence of a small number of local info points (not even Bucharest – an European capital – do not possess one) or tourism offices in various countries;

➢ even if in 2010 Romania was given a new country brand (Romania – Explore the Carpathian Garden), our country occupies the 101st place from 113 countries in 2011/2012, 9 positions lower than last year (according to Future Brand);

➢ the Romanian traditions' lack of continuity, except for few regions such as Transylvania and Maramures;

➢ the lack of monographic studies, books, brochures, maps, up-to-date flyers translated in languages of international circulation and nationally or internationally distributed.

5. Conclusions

Romania's geographical position in Central Europe is favorable for tourism transit and other forms of tourism due to the reduced distances from major emitter countries . Our country has a high degree of safety compared with other receivers . In addition, Romania is a multi-ethnic and multicultural space and can exploit cooperative relations that can extrapolate in tourism to countries like Russia , China, USA, etc.. The trend of population aging in the world can create opportunities for spa tourism in Romania . Romania still retains the natural environment untouched by human presence , species of flora and fauna which have disappeared in other countries or can be visited only in captivity. The weak development in some areas of traditional forms of tourism was carried out as an important prerequisite for the development of ecotourism , which would require our country as an important destination for this form of tourism

On the other hand, the lack of guide for many of the sights of Romania, including those which are on the List of World Heritage UNESCO can affect tourist satisfaction. In case of UNESCO monasteries of Moldova, the mural painting presents several forms of degradation as a result of the action of physical, chemical, biological and human factors. It is notices that the consumption of the tourism renewable resources are at a rate of interest higher than their capacity of recovery. Then we add the lack of cooperation between the tour operators. Two major phenomena with negative implications on the tourism economy are the underground economy and the black tourism against which it is needed immediate and radical action. The political instability, namely the ministers permanent change causes lack of continuity of programs, strategies and policies in the field and inapropriate use of EU funds.

Therefore, many of the competitive advantages presented above could be explored if Romania would be economically and politically stable and if tourism would be declared a national priority. We can also add the necessity of a Tourism Ministry in a country possessing such a highly defined tourism potential.

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ECOLOGICAL TOURISM - A FORM OF RESPONSIBLE TOURISM

Ruxandra Daniela Andrei, Asist. univ. dr., Romanian - American University, Bucharest, ruxandrei@yahoo.com; Vergina Chiritescu, Lector univ. dr. ing. CS III, Romanian Academy, Institute of Agricultural Economics, Bucharest, v.chiritescu@yahoo.com; Manuela Rodica Gogonea, Conf. univ. dr., Academy of Economic Studies, Bucharest, manuela.gogonea@gmail.com.

Abstract

Ecological tourism or ecotourism is, more than any other field of activity, depending on the environment, it represents "the matter was first" purpose and scope of work and progress, the support - frame and carrier resources. In these conditions, the relationship ecological tourism / ecotourism - environment is crucial, representing the environmental protection condition "sine qua non" of this tourism development. In these circumstances, it is development ecological tourism / ecotourism on the principles of responsible tourism, and this paper aims to identify the coordinates of the ecological tourism / ecotourism is a form of responsible tourism.

Keywords: ecological tourism, ecotourism, responsible tourism, environment.

INTRODUCTION

Promotion and development of tourism in general and ecological tourism / ecotourism, especially should not ignore the negative impact it can have on the environment (extinction of species of flora and fauna of nature monuments, overuse and exceeding the ecological carrying capacity, loss of agricultural and forest land, increasing urbanization etc.). **Relationship tourism - environment** was highlighted repeatedly at conferences devoted to its protection. Tourism in all its forms is carried out in the environment and the environment can promote or deny its quality tourism activities in certain areas. Landscape, forests, rivers, lakes, sea, natural monuments and art and architecture, air or mineral water etc. environmental components are considered as tourist resources that promote tourism to develop leisure and recreation, spas, seaside or cultural, hiking etc. The more these resources are more varied and complex, especially unaltered, with properties as close to the primary, the greater their interest tourism and the activities they generate are more valuable and more attractive, responding to very different motivations travel.

The natural environment is one of the main factors to be taken into account in the development of ecological tourism / ecotourism. Man is eager nature, framework integrated into the natural ambient. Human presence in nature creates the potential damage it, either for recreation and relaxation, or for the purpose of carrying out activities

necessary existence. In both cases it can degrade the more or less to get the benefits. Obvious dependence of tourism on the local environment makes him to be interested in all environmental actions and, thereby, to protect its own resources.

SOCIO - ECONOMIC IMPACT OF ECOLOGICAL TOURISM DEVELOPMENT AS A FORM OF RESPONSIBLE TOURISM

The development of ecological tourism / ecotourism will have a strong impact on tourist areas in which will be reflected in social, economic, cultural, ecological etc. The positive effects produced by the development of ecological tourism / ecotourism were discussed often and are welcome. In the context of promoting the concept of responsible tourism is more interested degradation consequences of tourism resources, which may have implications for social - economic of the worst. Thus:

• *the economic*, reported shortcomings due to the existence of tourism resources degraded primarily reflects interest unable to realize them as sources of income , thus constituting a permanent loss to the economy and tourism sector. In contrast, tourism products including degraded resources of its value decreases, the direct consequences evidenced in reducing travel demand and thus less use of the material of interest and lower receipts from their sale;

• *the socio-cultural and environmental* impacts are also very important. If it is accepted that the most important features are the recreational tourism - recuperative and instructive - educational means easy relationship between tourism and the environment. Its impairment, even to a small extent, reduce the possibility of recovery of health and human forces, reducing the quality of the therapeutic factors favoring or rest and recreation, as well as opportunities to meet the needs of culture and education of the people.

The tourism potential is an integral part of the environment's existence and development depend on its quality objectively, so can be considered as a possible index to its environment, ie, a "barometer" of its quality: practice where for various reasons, or other component of the environment such as landscape, air or water is degraded. Meanwhile, the "requirements" they claim, tourism can be a "practical solution for keeping unaltered environment". That is why protecting nature and preserving its qualities for tourism become a necessity in this regard competing actions to protect tourism potential. Human society environment subject to two main types of pressure: one is the direct result of the population explosion and urban expansion, pace and considerable growth achieved by industry, agriculture and other fields, gain traffic and transport systems and communication intensive exploitation of natural resources, and another, far less aggressive and predominantly seasonal nature arising from the use of the environment for tourism and leisure activities. Natural disasters (volcanism, hurricanes, landslides, floods etc.) and wars, although they are episodic, also contribute to pollution and environmental degradation, the destruction of cultural heritage of peoples, and causing huge economic damage.

Therefore it is generally accepted that ***environmental degradation*** and tourism resources comes from two main groups of *factors*:

- factors that are a direct result of economic development;
- factors derived from the use of the environment for tourism and recreation.

The first group of factors, resulting mainly from the intensification of industrial, agricultural and transport, affect both the environment and the general development of tourism, tourism potential components taken as separate entities, namely air, water, soil, vegetation, fauna, landscapes, nature and architectural monuments etc. Of these, a particular problem puts *air pollution* caused by industry, sources of contamination with repercussions on the tourism potential is considered, in descending order of harmfulness: energy industry, metallurgy, chemical, petrochemical, building materials, wood processing, food etc. Emissions mixed powders, harmful gases and odorous irritants produced by units of these industries can pollute resources underlying conduct specific activities of health tourism, rest and recreation, cultural, hunting and fishing.

Among the most polluted air source lies cement powder and dust are lost during the technological process alters the purity of the atmosphere, destroying vegetation, landscape, which give it a gloomy aspect, wildlife drives, attacking buildings and monuments that are submitted. Some of these sources are found in the major tourist areas (Bicaz, Campulung, Azuga, Miami etc.). But air pollution is due to other sources such as mills in Hunedoara, Resita, Suceava, Piatra Neamt, Ploiesti, Targu Mures, Govora etc., located on valuable tourist routes.

Conduct activities at the level of accommodation and food requires higher energy consumption and therefore, there is pollution from thermal power plants serving agro tourist resorts and villages. In addition, the lack of adequate facilities disposal, garbage, can cause olfactory air pollution in rural tourism. Compared to industrial activities, the tourism has a lower impact on air quality deterioration.

Particularly serious is *the pollution of the landscape*, one of the most valuable resources of tourism potential. Landscape degradation factors found within the pollutants that destructive actions of its components (vegetation, fauna, river network etc.) plus undirected forest logging, uncontrolled industrial and household waste, nasty construction achievement or inappropriate to their location (by not sensible colors and volumes), and so on, these are just a few aspects of what "ugly" nature, precisely where it is most wanted for her beauty. Significant in this regard are landscape degradation caused by hydropower construction sites and industrial roads, or other goals present especially in units scenic mountain landscapes, here, in most cases, during the execution or completion of the work does not comply with the measures landscape protection and restoration of damages suffered by it (Bucegi Mountains, Cindrel Mountains etc.). Of the most serious shortcomings caused by the construction of forest roads, with deforestation occurring, excavation slopes, tree defoliation cases in Apuseni Mountains, Bucegi Mountains, the reserve Rodna Mountains.

Landscape degradation caused and limestone quarries, such as the Corcoaia Keys, natural monument and tourist attraction, unique tourist area Portile de Fier (Iron Gates), the entry into the Herculane - Costesti (Valcea County), located in areas with high tourist traffic, or careers Ilvei Valley in Bargaului and Bicaz Mountains and storage dumps near the mines, like those of Baile Harghita and Santimbru where difficult access to the station from mental next Muierii cave, to Lotrului Valley etc. or municipal landfills of common undertaking various urban centers around some of the tourist, which took the place of forests, gardens, green spaces etc.

Compared to air pollution, *water pollution* is much more present, because many tourist activities and agro can not run in the absence of water resources. Water consumption calculated for every tourist is quite high, both in the accommodation and in the catering, as a result recorded a large volume of wastewater discharged in addition to those from the village / tourist resort. Water pollution also has negative consequences for tourism, contributing to the degradation of some of the largest tourism resources in use. Creates serious implications for water pollution on sea, lakes, rivers and the Danube Delta, which, in addition to reducing the effects of relaxing and a decrease occurs biostimulators or their therapeutic effects. Examples of this kind it is therapeutic lakes Techirghiol, wedding party, Amara, White Marsh, episodic pollution of the Black Sea or fresh groundwater or minerals etc .

Soil pollution by various pollutants from rain water is contaminated with various chemicals directly from the discharge of waste, pesticides, fertilizers etc. has, in addition to the consequences of socio - economic and health consequences for tourism, the degradation of groundwater and water mirrors used in health tourism and recreation. Of course, soil degradation and thus the landscape is due to grazing and uncontrolled, as if the mountain or alpine meadows Bucegi Mountains, Ceahlau Rodna, Parang, Ciucas etc., mountain ranges with an intense tourist movement.

Noise pollution is another important risk factor for human health. Has implications on tourism, its appearance (noise) in places for its becoming disagreeable whereas the majority of practicing tourism seeking "a quiet corner in kind" to keep them from the hubbub of the big cities or industrial noise. The existence of sources of noise pollution spas rest or mood influences tourists, having repercussions on the effectiveness of spa treatments that sometimes can even cancel.

Forest degradation is another example of damage to the tourism potential. Forest is interest for tourism and its social functions - recreational and aesthetic landscape, sometimes therapeutic. These attributes make the forests generally be considered, regardless of their location in the mountains, along the trails near the resort, suburban areas and so on, as objectives to complete the value of the country's tourism potential. Logging to date in the Apuseni Mountains, among other consequences, had degraded karst landscape of plateaus Padis, which consisted tourist attraction and beauty of the forests that covered mostly razor cut. By logging can cause the onset of soil degradation processes that have affected the landscape that result in the disappearance of natural monuments and tourist etc scientific interes. When logging in spas around and generally localities, diminishes the possibilities for self-purification around them, and if spas are threatening hydro reservoirs, decreasing the potential for cutting them to extinction. By applying the laws of restitution of land including forests such deforestation will continue with great consequences in the natural environment and tourism.

Degradation of natural reserves and natural monuments harms also tourism potential that it lacks scientific intake, cognitive - educational, aesthetic objectives, unique or rare spectacle, or of natural habitats that have kept a balance biological virgin. Degradation of these monuments and nature reserves exist in appreciable numbers in our country may be largely driven by uncontrolled economic activities, their damaging incalculable damage both from the scientific and economic opportunities by reducing their tourism recovery (Danube

Delta, Retezat National Park, caves monuments of nature reserves in the Bucegi Mountains, tails, gout etc.). Negative aspects are encountered when sightseeing anthropogenic degradation of both the pollutants that attack, degrade and shortens the "life" of the strongest and most durable materials, following the disappearance of resonant historical monuments, artistic or cultural times people centuries ago, as well as other factors anthropogenic or natural. Buildings in areas contaminated with smoke, coal, cement etc. damaged, deleted or changes its appearance, taking a dark color, dark.

Regarding the second group of factors, tourism, like any other activity, human, being a consumer of space and tourist resources, participants involved in the degradation and pollution of the environment and tourism potential, either by direct pressure of tourists on the landscape, flora and fauna and other attractions that you can partially or totally damaged, either through misconception and equipment recovery of areas, points and sights. The problem becomes more acute, given that tourism is experiencing a continuous growth throughout the world, the destructive action of tourists on tourism resources showing increased intensity and variety from year to year.

Destructive actions may be numerous, especially in areas or targets that outlines a tourist concentration and in conditions that are not made special arrangements necessary facilities or practicing various tourist activities and especially for their visit. They are caused primarily by uncontrolled tourist traffic areas or sightseeing outside marked trails leading to the destruction of vegetation and flora, break trees, destruction of natural seedlings, detachment of rocks etc. Other damages are brought by triggering fires, preventing regeneration plant soil compaction, poaching and disturbance specific habitats hunting and wildlife in general, is going sometimes to species extinction.

Flora species extinction may be due to abusive collection of flora, especially plants declared natural monuments, due to insufficient popularization protected plant and ignorance of tourists to the serious implications that their actions may have on the environment unchecked. This explains why the edelweiss, Dianthus mountain, with its variety "Garofita Pietrei Craiului" and other plant species are endangered in some areas, although they are protected by law. But visiting intensive lighting candles and lack of technical equipment ventilation or pollution have led to degradation of frescoes, paintings inside of monuments and art, as in Bucovina.

Uncontrolled tourist traffic carried sightseeing natural or man without arrangements for their visit often causes irreversible destruction of some of the elements that have established as tourist attractions, sometimes, unique, bringing it thus harm tourism potential and national cultural property. Lack areas and walking trails along or near tourist attractions of sites developed for halting or installation of tents causes inevitable landscape degradation and other environmental components due to residual traces left many tourists random places they arrived. Such situations are found in all places for recreation and leisure tourism, especially around urban centers in the mountains, near the huts and tourist resorts on the shores of rivers or lakes etc.

Particularly bad in terms of air pollution is to increase tourist traffic automobile in balneoclimateric resorts and lack of parking, in which case they alter air quality, cleaning factors, influencing the specific spas and spa treatments.

As mentioned, the quality of the tourism potential can be affected by a misconception to exploit its tourism resources, resulting either through unscientific and

irrational exploitation thereof or inadequate realization of investment objectives. The first of these issues is of particular importance is the basic raw material needed to ensure tourism, being found both for exploitation of mineral spas and the operation areas, towns or places of tourist interest. A special situation have spa minerals characterized by high vulnerability to exogenous factors, any adverse action against them can cause change physical and chemical parameters, on which were declared as therapeutic resources. The degradation encountered when mineral spas, especially thermo-mineral waters and resulting most often from non-compliance with the general principles of protection and exploitation of their imposing: limiting the exploitation of deposits in relation to mineral reserves approved spa, works in accordance with the geological research projects and specialized fields to exhaustion avoid exploitation and rational exploitation, their scientific etc. failing protection perimeters. Despite measures taken to protect resources lately spa can, nevertheless, some cases of degradation of significant being those of hydro reservoirs Buzias and Covasna, where faulty operation which led to excessive degradation phenomena. For this state, if it were not for strong fields fueled degradation phenomena were irreversible. Baile Felix resort overload without correlation to mineral reserves has led to an intensification of the exploitation of water up to the exploitation of hydro reservoir, its restoration rebuilt the rough. And if therapeutic mud, the rational use and treatment, as well as their protection sometimes are not taken into account, leading to impairment of the deposit, as happened in Techirgiol, at the lakes of Sovata, Sacelu - Gorj lake etc. Failure sometimes not setting, hydrogeology and sanitary perimeter and allowing polluting conduct economic activities within these areas also lead to resource degradation spa, as happened with the guests lakes, Techirghiol, Amara etc. due to irrigation and industrial waste water.

The general plan, sightseeing degradation products is due primarily to the absence or low level of their organization to operate facilities or tourist. The absence or poor condition of access roads or movement to a target in a mountainous area, nature reserve etc. Tourists dispersed over wide areas, and the lack of specific equipment (ladders, fences, signs etc.) lead to an anarchic movement, to an accident and message tainted cultural - educational and recreational zones and objectives. Such situations are found in the majority of the tourist attractions of our country, but especially in mountain units. No Retezat National Park, which is declared a nature reserve since 1936, nor the other parks and natural reserves are far organized for visitors. This means that, under the impact of tourism, with all protective measures taken by the Romanian Academy of Natural Monuments, these resources are subject to continuous degradation of the serious consequences of territories with elements of real originality and scientific interest in state natural balance.

But *environmental degradation* and tourism potential can be determined and unregulated development of settlements (and especially those encompassing resorts), poor design of nature tourism investment objectives, establishment of sites unsuitable for tourism basis, development of construction unsightly, unsuitable ethnographic, architectural, or natural area tourism, employment - intensive construction of space travel and so on, the latter situation may even affect the ecological balance of the territory. Such situations have been created, for example, in some resorts, by creating a material and technical base

disproportionate volume and structure with the capacity of the land and hydro reserves. The result was an "overload" of territory with tourist equipment and structures, going to a resort urbanization (Felix, partially Sovata). With these problems currently is facing the majority of resorts and tourist areas.

Building networks of paths and roads loaded or means to climb the mountain areas with high density of work that it requires (deforestation, protective walls, bridges etc.) can affect the landscape, negating or diminishing its charm. It is true that often contributes a number of engineering works, in turn, to beautifying the landscape (Portile de Fier). Arrangements for visiting caves attraction sights high, made without respecting the specific technique such work leads to their partial or total degradation. Appropriate Muierii and Ialomitei cave, where arrangements made from local initiative is not up to an adequate level, it leads to their degradation and diminish their value.

LEGAL ON ECOLOGICAL TOURISM DEVELOPMENT AS A FORM OF RESPONSIBLE TOURISM

Tourists who travel to different tourist areas in order to achieve relaxation and various activities in the environment need to be informed and know the legal provisions on environmental protection. Also, the location of tourist facilities should be in places away from sources of pollution and any other items that may endanger the health or life of tourists. Owners of certified travel must have expertise in the field of environmental protection and contribute to informing and educating tourists, so they do not take action contrary to the environment.

The legislation requires the sanction of activities such as:

- unauthorized harvesting of flowers and other plants in public parks, landscaping, gardening and so on;

- harvest or capture for marketing unauthorized plants and animals in wildlife;

- dislocation, deterioration or destruction marking and warning panels for environmental protection;

- changes in land arranged as spares, without the competent environmental authorities and the completion of building or any other facilities in their area;

- collection, possession and / or sale of plants declared natural monuments, capture by any means, possession and / or sale of animals declared natural monuments, and dislocation, possession and / or sale of parts mineralogical and paleonthological cave from declared places natural monuments and collections, unless approved by the environment;

- failure by legal owners or managers sanitation and hygiene measures associated land tourist sites;

- conduct by any person of activities with a negative impact on the environment (air, water, soil, vegetation);

- failure by the owners or managers of tourist facilities legal provisions in force and special measures established by the Environment Protection and preservation of areas of natural habitat and biological diversity, especially for the protection of species of plants and animals that are monuments, and are threatened with extinction.

The concept of ecotourism was defined in 1991 at the international seminar on ecotourism, organized by Canada (CEAC), when it was concluded that: "Ecotourism is a travel experience that highlights the nature, contributing to the conservation of ecosystems and the while respecting the integrity of communities - host". Thus, ecotourism involves practicing his conduct both tourism activities and their related economic ones, in a pleasant environment, polluted with scenic views, refreshing and unaltered. The practice of ecotourism requires the protection zones or tourism resources, which are designed to study, admire nature, recreation and physical and mental recovery.

Another definition involves the same concepts, namely ecotourism is "tourism in areas least modified by man, and must contribute directly to the protection of nature and the good condition of the local population". (Sylvie Bblagny, 1992)

In the narrower sense, **ecotourism** is based on the observation of nature, offering tourism products distinct specific forms of cultural tourism, scientific research, as practiced in countries with remarkable biodiversity, which has natural reserves, national parks and local communities that customs and traditions have been preserved unaltered.

Ecotourism requires leadership, organization and tourism development in order not to disturb or destroy the natural balance, natural tourism resources environment and cultural - historical values or technical-economic and achieve their sustainable exploitation.

Ecological tourism / ecotourism, as most experts and tour organizers, a means (tool) saving natural habitats (with their creatures) and historical and cultural degradation and destruction threatened by intensive tourism, mass tourism or sale (gorilla National Park in Uganda UNEP, 1992, Amboseli National Park - Kenya, National Park Virgil Islands, Caribbean reefs - Comores and Reunion islands or those in Mozambique and Madagascar, Canyonlands National Park - USA). Therefore ecological tourism / ecotourism was associated with national parks and nature reserves, where found, along with the function of protecting and preserving and protecting that investment, and supporting local economic development, traditional and maintaining social and cultural traditions historical local communities.

SUSTAINABLE DEVELOPMENT OUTLOOK ECOLOGICAL TOURISM AS A FORM OF RESPONSIBLE TOURISM

Through the concept of ecological tourism / ecotourism, tourist space (ecotourism) is regarded as dual aspect, ie quantitatively, by "the capacity of the land" that can be natural or artificial and qualitatively, through the work or tourist value of the territory natural or artificial (anthropogenic). Both sides are part of the overall policy approach for sustainable development of ecological tourism / ecotourism. Such tourism policy aims to ensure functioning ecological, economic, social and cultural tourist areas on the effective use of responsible and effective use of resources.

Ensuring sustainable development and management of ecological tourism is based on several principles of planning, namely:

• apply strict measures to protect flora, fauna, ecosystems and, where appropriate, archaeological sites, historical and local culture;

• rules optimal accommodation capacity may be admitted, so travel arrangements should not be excessive and extremely crowded with tourists places;

• creation of tourist eco friendly accommodation equipment using construction methods, style and local materials using low power devices and conveniently eliminating waste, the accommodation has a density of lightweight construction (deck) to treat individual wastewater using biological means compact and solid waste composting is the maximum to be loaded into the truck. This builds a reception and information center for tourists, which presents local environmental techniques, background information, useful services and so on;

• produce and disseminate a code of conduct for tourists and visitors about ecotourism and the provisions included in the code (which should take tourists);

• providing well prepared guides, informing tourists precisely to raise awareness about biodiversity and environmental resources and to build commitment to the environment;

• learning the local population to participate in tourism development in order to travel out of jobs and income , organize visits to educate tourists respect local culture and traditions, local economic activities.

Although ecotourism declaration binds the world's first national park, Yellowstone (USA), in 1872, the concept of ecotourism has emerged in the 80s, following the development of wildlife tourism in the most remote and fragile areas of the planet and as a alternative to mass tourism with tourism development and intense classic industrial type of tourist resorts or overcrowded urban centers. Eco-tourism development aimed at four main areas, namely:

• tourism and sustainable exploitation of the natural and built environment (anthropogenic) and reduce pressure on areas most heavily exploited by introducing circuit other tourism areas (economic direction);

• protecting and conserving tourism resources and ecosystems that circumscribe their reduction and disposal, recycling, reducing removal aside and forestry etc. (ecological direction);

• protection and economic and socio-cultural development of local communities in that area or near its traditional economic development and increased employment: the use of cultural and historical elements that express cultural identity and develop a spirit of tolerance (social direction);

• finding sources of funding for environmental protection, natural habitats and local communities build and economy (funding sources).

It is noted that these objectives through their contents, are circumscribed to two concepts: the best possible use of resources and the protection and sustainable socio-economic development and cultural communities.

So ecological tourism / ecotourism must:

✓ an optimal and sustainable exploitation of resources and the environment;

✓ an economic and social benefits of the resident population;

✓ compatibility between the local population and the tourists and stakeholders for sustainable development; a broadening spectrum of traditional economic activities and creating opportunities for the best use of tourism resources;

✓ an introduction to business in new targets and areas of interest.

These principles were adopted and the Berlin Declaration of the International Conference on the relationship between biodiversity and tourism (6-8 March, 1997), which highlights the consensus of sustainable tourism and environmental protection, namely:

• sustainable, responsible, especially through ecotourism allows use of biological diversity and contribute to its development;

• development of tourism activities must be carried out in a steady and sustainable efficiency and can be controlled;

• special attention to forms of tourism in fragile ecological and cultural areas, which are required to avoid mass tourism;

• all interested partners, both private and public, must be involved in supporting sustainable tourism through the development of tourism products branded and codes of conduct for all participants in this activity (tourists, staff, local);

• involve local people and local institutions in applying these principles of action ecotourism to be the main beneficiaries of ecological tourism / ecotourism.

Application of ecological tourism / ecotourism development model for sustainable tourism, responsible, especially in protected areas, but in others a fragile environment and its principles, has a dual purpose: on the one hand, the integral and sustainable natural and cultural resources, to improve the quality of life in local communities and on the other hand, satisfaction of tourists motivations and requirements consistent with the preservation of the environment and resources for future generations. In some tourist areas of Africa, Oceania etc. impact of tourist flows has great implications in the natural environment, but also social, economic and cultural life of local communities, leading to damage. In this respect, the correct explanation of the basic principles, ecotourism should lead to: sizing rigorous flow of tourists, tourist behavior modeling and setting the threshold of tolerance supported by the local population to maintain the authenticity of the communities, while avoiding exceeding the limit of endurance which means irreversible degradation. There are opinions and on the fact that rural tourism component to agro tourism, scientific and professional will require forms of ecological tourism (ecotourism). It should be noted, in this regard, the contribution of tourism to rural development if local people participate in the pursuit of it being also a means of protecting the environment, economic and cultural-historical traditions of rural local.

In the sense of a growing number of experts, scholars and practitioners of the field, it outlines some common goals of ecotourism and the economy, namely:

• any kind of industry, and once again the tourist must not degrade resources, but to be developed in such a manner as to protect the environment;

• economic activities should provide long-term benefits, resources, local communities and industry in the form of resource conservation or scientific benefits, social, cultural or economic;

• the need to provide direct experiences involving the participation and education of tourists, primarily, but also other actors in the tourism market;

• involving environmental education to all categories of "actors" local communities and non-governmental organizations, businesses and tourists, before, during and after consumption of tourism services;

• encouraging the unanimous recognition of the intrinsic value of resources;

• recognition that resources are still limited, and the need to accept a management oriented for substitutes there;

• promoting the idea of association and cooperation among many "actors" (partnership) that can be governmental and nongovernmental organizations, businesses, scientists, tourists and locals;

• the need to support and promote the moral and ethical responsibility and attitudes aimed at preserving and protecting the natural and cultural environment by all agencies of all concerns and guidelines.

Some of these objectives have been included in a list of the most appropriate sustainable tourism practices analyzed in the Conference on Global Tourism Performance, 1992. Tourism activities in protected areas has different forms, specific and complex lifting tourism planning issues as the protection and conservation of ecosystems and the development of general infrastructure, equipment and accommodation facilities for recreation and tourism. Therefore, tourism development and ecotourism in protected areas is done by certain conditions, namely:

• use and planning of protected areas (national parks and natural biosphere reserves, natural reserves, natural monuments) is done in the spirit of normative acts globally and integrated with the complexity and specificity of the natural, human and tourism and level of economic development - social protected area and surrounding region;

• choosing and implementing the best recovery and tourist development projects is done only after opportunity and feasibility studies, and environmental impact;

• providing the necessary financial support and balance the project especially given the economic and environmental costs;

• expand cooperation with the authorities and local people on protected areas and a partnership between them and the administration of protected areas;

• activities of intermediaries in tourism and guides in protected areas must be consistent with the protection of the environment and the local community;

• increase financial and practical contribution of companies providing tourist services as intermediaries in tourism, protection of protected areas;

• develop a policy for promotion and marketing specific protected areas, consistent with the compliance regime for their protection and conservation;

• create all conditions to avoid undesirable impacts of pollution and degradation of the environment, ecosystems and flora and fauna.

In these circumstances, **ecotourism planning** and recovery processes are continuous, periodic subject of an impact assessment, where all tourist activities are adapted to the specific situation of each protected area, showing major tourist meanings. Tourism planning these protected natural areas vary from one country to another, as different travel and equipment of each park, which is determined largely by its natural specific objectives, motivation visiting the possibilities of recovery, quantitatively fits existing facilities and qualitative limitations of these ecosystems, which exceeded disrupt their balance.

Tourist facilities include overall very diversified accommodations (from campsites, cottages, villas, hotels, motels, holiday villages), eating establishments (restaurants area - specific modern, fast food), leisure facilities and sport (various sports facilities, natural

slopes skiing, swimming pools, horseback riding etc.), specific to each site, depending on the type of existing tourism resources. Regardless of the degree of endowment parks, each must have minimum tourist equipment, consisting of various facilities, located throughout the park (but not restricted to protect areas), trails and paths marked places for specific facilities for visiting various natural objects or man.

Recovery of protected areas through tourism involves the following:
• judicious setting of the points of entry and exit of tourists in protected areas and reserves;
• organizing Visitor Centre and Tourist Information;
• achieving overall infrastructure (road network, road network, pedestrian, parking, water supply etc.);
• organization of tourist traffic, which involves the tourist flows, their size, tie zone groups of visitors, frequency, duration of visit etc.;
• arranging the accommodation, catering, sports and recreation in accordance with specific conditions, specific resources, principles tourist development planning, standards development indicators and technical standards, as well as arranging for sightseeing;
• restoration of degraded landscapes and landmarks;
• signaling sightseeing, endowments and utilities.

All these actions that create optimal motivation tourist consumption - research, study, recreation, education - must be made very carefully in order not to distort the environment, the landscape, especially authentic and animal life, plant and locals. **Strategy of sustainable and responsible tourism** requires, among many others:
• respect and care for the way of life of human communities;
• increasing the life of the human habitat;
• bio-conservation of ecosystems and biodiversity;
• reducing resource exploitation, particularly the finite and non-renewable;
• individual attitude change towards sustainable development of space activities;
• opportunities for communities to preserve its environment, along with the development of the local and national levels.

Ecological attitude to natural resources exploitation involves giving unlimited and irrational generalization about the importance of scientific concept of biosphere preservation of natural resources for future generations. A prerequisite without which the preservation of natural resources can not be done is to develop each person a sense of responsibility for the natural resources of the environment. This requires knowledge of and respect for the carrying capacity of the environment of the exploited, being dependent on the use of natural resources and environmental pressure on equilibrium.

Layout territorial economic objectives - social, according to human needs and ecological vocation that environment, is spatial planning, which involves accepting the following *principles*:
(1) - Consideration of natural resources for sustainable development, the goods of both the present generation and the future;
(2) - Preserving the environment and its resources to be made not by giving technical progress, but the improvement of conservation and resource management;
(3) - The activities spatial and environmental conservation must take into account the hierarchy of needs of human society;

(4) - The study of natural processes cyclical use of resources in the biosphere can give rise to technology (models) to reduce or eliminate the tendency of resource depletion;

(5) - Unilateral use exclusively natural resources and pollution are risk factors that threaten life on earth;

(6) - Natural resources management and conservation is zonal, national and global.

In the spirit of these principles requires development of ecological strategies of development (eco-development), capable of providing a healthy and rational use of resources specific to a particular ecosystem, to meet basic human needs. In this context ecology actively participate in the following:

- assessment of environmental opportunities to the objectives proposed by the company;

- establishing their impact on the environment and finding ways to mitigate it, the long-term conservation;

- development of special measures for active conservation of specific resources or portions of the environment;

- determination (along with other sciences) needs characterizing indices of quality of life and priorities for meeting them;

- design with optimum efficiency anthropogenic ecosystems in relation to economic objectives and long-term preservation of the environment.

CONCLUSIONS

Existing environmental problems at national and global level is closely correlated with economic and social development. In this context, it is necessary to unequivocally protect Earth's natural resources for all generations to come can enjoy a pristine tourist area, with all of its unparalleled comfort and human health - water, air, forests, landscape and more especially, the population of this area.

All these elements must be kept in the care and attention of human society as a whole and of each individual, meaning their permanent preservation and protection. Social developments and trends in leisure need in a pleasant and diverse paves organized tourism development. At this level tourism in all its forms must have a capable management to harmonize the natural and tourist facilities in order to meet the requirements of modern tourism.

For example, the Danube Delta Biosphere Reserve is a protected area where ecotourism can apply and develop in all its complexity. Here are intertwined requirements deltaic ecosystem protection and conservation of natural areas still undisturbed by man with maintaining and developing the local economy and traditional human habitat with their ancestral traditions.

In Romania, responsible tourism, based on ecological principles must be based on Romanian legislation and other regulations or directives in the field of EU countries or global organizations which support these efforts and to be fully harmonize perspective. Were adopted, so a series of laws, some organic, concerning environmental protection, urban and regional planning, as well as laws on town planning documentation, the system of protected areas and natural monuments of human settlements and cultural heritage, issuing environmental permits for urban and regional planning, environmental and social impact assessments, environmental audit etc.

Ministry of Tourism has initiated a series of regulations for the use and protection of marine beaches, mountain areas and tourist resorts, the establishment and protection of heritage tourism, organization and performance of tourism in Romania and the Ministry of Health initiated an emergency ordinance on resorts climatological and balneoclimateric (GO no. 111 / 2000) and other regulations on the use and protection of resources and therapeutic.

Romania is a party to many international and European organizations and conventions and signed a number of documents that stipulate the protection of nature, human habitats, tourism development on ecological principles, and as a signatory, the recommendations and directives of those institutions and especially the European Union.

The Law no. 5 / 2000 were found protected areas and natural monuments of national interest and national cultural heritage values . Thus, approved 17 biosphere reserves, national parks or natural reserves and 827 and 681 natural monuments of national heritage values (historical monuments of national importance).

Protected natural areas of national interest and monuments of nature have a purpose and management, and the management and use are established by regulations and their protection and conservation plans approved by the national scientific and administrative skills (Law no. 462 / 2001). These protected areas and natural monuments can enter tourist circuit, allowing visits for scientific, educational and recreational tourism.

Exceptions are strictly protected scientific reserves, conservation areas and Special Protection Areas, the last two categories falling under Directive 92/43 / EEC / 1992 on the conservation of natural habitats, wild flora and fauna and will be part of the European network NATURA 2000 after recognition of their status by the European Commission (GEO no. 236/2000).

In Romania there are few protected areas introduced in the tourist circuit (ecotourism). It is the Danube Delta Biosphere Reserve, Retezat National Park, Rodna National Park, but only the first two have their own governments and economic recovery programs, including tourist. In the future, will become tourist destinations (ecotourism) Ceahlau National Park and the National Park Piatra Craiului.

Ecotourism activity besides anchoring in the durability is in step with economic integration and development generates structures necessary to support the transition. This is because the actual content of ecotourism includes: the modernization of infrastructure, development of rural - urban sustainable use of non-conventional forms of energy and clean technologies, leading to protecting and improving the environment.

Ecological tourism / ecotourism in the narrower sense of the term, is therefore as "raw" or consumer destination tourism protected areas, nature reserves, national parks and biosphere. The idea of national and natural parks and biosphere reserves appeared first in developed countries in terms of industrial, social and educational as motivation.

With time, landscaped areas have expanded internationally, currently registered with the UN over 2,600 national parks, natural biosphere reserves, covering an area of 4 million square kilometers located in 124 countries.

Starting from the concept that "sustainable development of viable and sustainable ecological development that is considered to meet the needs of the present without

compromising the ability of future generations to meet their own needs" tourism as an economic activity is join this scientific endeavor and should cooperate with other industries and economic activities to ensure environmental quality, resource base and its survival.

Moreover, co-participation becomes necessary to this end, the central and local authorities, local communities, along with tourism providers and related services, human environment and, last but not least, tourists enjoying the tourist offer and environmental quality of the favorite tourist destinations .

The concept of sustainable development was based bowing to recognize the limits of growth. The theory of economic growth was essentially limited time to pure economics, neglecting some essential aspects of development such as human relations - nature, society - environment, human - society - politics - technology etc.

The need for addressing problems of economic development in the context of their environment correlation and natural, technological, social, political and cultural in recent decades has become a goal of studies on human evolution on earth.

It was found that different patterns of growth can have negative consequences in terms of long-term human needs. In time, more and more scholars have drawn attention to the danger of exponential growth, the application of techniques and technologies without worrying about maintaining a balance with the environment and thus the preservation of life on Earth.

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SWOT ANALYSIS OF THE ROMANIAN RURAL AREAS PROCESS OF ACTIVITIES FOR RESPONSIBLE TOURISM

Vergina Chiritescu, Lector univ. dr. ing. CS III, Romanian Academy, Institute of Agricultural Economics, Bucharest, v.chiritescu@yahoo.com; Ruxandra Daniela Andrei, Asist. univ. dr., Romanian - American University, Bucharest, ruxandrei@yahoo.com; Manuela Rodica Gogonea, Conf. univ. dr., Academy of Economic Studies, Bucharest, manuela.gogonea@gmail.com.

Abstract

SWOT analysis is a method of investigating the countryside and the activities within this framework, based on methodological elements and forms of application and follow an objective assessment of the current situation. This method is summarized key points of the countryside, by grouping the problems and benefits based on the four elements of the SWOT - strengths, weaknesses, opportunities and threats, which allows easier identification of strategies and ways to develop and non-agricultural activities in rural areas.

SWOT is one of the most commonly used methods to analyze the performance level of the economic unit of the development of an area, region or countries. SWOT analysis is also a way to analyze a production position in relation to its competitors. Its purpose is to identify major factors affecting competitiveness, developing a strategy for future. SWOT analysis presents a very simple methodology of application and can be adapted to various studies economic, social etc.

Also, SWOT analysis can be applied to more complex problems existing in a farm with a production capacity of small or underdeveloped level, being able to identify concrete problems they face and their solutions. Effectively, the method is targeted objective assessment of the current activities and the level of rural development for the purpose of human activities, including tourism, responsible, sustainable and consistent with sustainable development.

Keywords: SWOT analysis, the Romanian rural areas, responsible tourism.

INTRODUCERE

The social and economic systems in rural Romanian, understanding the complexity of farm activities, forecasting and response of the external environment on rural development actions, and the ability to design strategies and organizational processes of sustainable rural development can be achieved through an investigation based on the SWOT analysis.

SWOT analysis is a method of investigating the countryside and activities in this framework, based on methodological elements and forms of application and tracking of an objective assessment of the current situation. This method summarizes the key points of

rural areas by grouping problems and advantages based on the four elements characteristic SWOT - strengths, weaknesses, opportunities and threats, which allows easier identification of strategies and ways of developing agricultural and non-agricultural activities in rural areas.

SWOT method is one of the most commonly used methods to analyze the performance level of an economic unit or degree of development of an area, region and country. SWOT analysis is also a way to analyze a manufacturing position in relation to its competitors. Its purpose is to identify the major factors affecting competitiveness in order to develop a future strategy.

SWOT analysis provides a very simple methodology of application and can be adapted to the various studies economic, social etc. Also, SWOT analysis can be applied to more complex problems existing in a farm with a low production capacity or level of underdeveloped areas, being able to identify concrete problems and solutions for this. Effectively, in this way, it aims an objective assessment of the current level of activities and rural development.

COMPONENTS OF SWOT ANALYSIS

- ***Strengths*** of a territorial areas / units are those values and those factors which give it a competitive advantage and gives attractiveness. Represents internal forces, ie forces distinct characteristics related to location, resources, strategies etc.

- ***Weaknesses*** are those factors or tendencies that create obstacles to economic and social development. In case of agricultural holdings weaknesses can form social, financial, regulatory, operational etc. These can be divided into weaknesses that can be corrected in the short term, long term or are difficult to correct.

Strengths and weaknesses are internal factors considered area / unit or endogenous factors.

- ***Opportunities*** is refers to those external factors that facilitate the development of competitive advantage (strong point), such as favorable market circumstances, opportunities for expansion into new markets, the integration of new technologies or traditional intensive farm activities etc.

- ***Threats / risks*** are considered as external factors (exogenous) and internal (endogenous). For this reason they are treated as unfavorable trends, external development unit / area, and so on, leading to the decline of its competitive advantage. Changing external conditions are a menace or opportunity, depending on the local conditions of the area.

SWOT analysis is able to summarize the key points of a farm. First, grouping problems and advantages based on the four categories of questions allow for simpler ways of strategy and business development. In addition, the method can be simply adapted to the specific needs of various marketing and management processes applicable in rural areas. And if SWOT analysis will be considered and issues: farm organization, its performance, products / services and key strategic markets. SWOT analysis allows key focus on rural areas and making assumptions (assumptions) on which areas are less detailed knowledge. Following this analysis can decide whether farm or rural area that can be developed, with whose methods and under what conditions.

To ensure that policies and programs meet the needs of developing farm or area within limitations require local resources available for accessing EU funds that support rural development policy and regional development strategies imposed local . In this context, it is possible that some "opportunities" and "threats" at the level of farms or rural areas appear as "strengths" and "weaknesses" in other areas or farms.

The SWOT analysis can be identified three **priority** principles that must guide the design strategy for sustainable rural development, namely:

▪ *Economic life of the rural community*, which must be constantly refreshed and developed in all its areas: agriculture, animal husbandry, industry, trade and forestry.

▪ *Rural infrastructure*, which requires continuous improvements, investments must be made according to certain economic criteria in order to produce beneficial effects on: the safety of the inhabitants of rural areas (from calamities) report the amount of investment / financial products and economic effects, report investment value / number of beneficiaries.

▪ *The economic factor* with respect to: increasing the attractiveness of rural areas, socio-economic facilities and leisure on offer or you could give them, so the standard of living and social comfort of the inhabitants to be improved.

The advantage of such investigations SWOT analyzes can effectively emphasize knowledge of the actual situation, design and determining the amount of investment, and finally a diversification of activities in rural areas.

Key elements of the SWOT analysis results can be presented as a matrix, based on which can be formulated as the main lines of action and concrete steps for developing localities of a rural area, based on specific critical issues that exist in each zone areas and influence all tourism activities. It may refer to the:

- tourist destination which is mostly Bran - Moeciu area;

- lack of touristic marks required in each community;

- ratio between the price of tourism products and quality services;

- lack of policies to promote tourist territories Rucar sub-areas;

- little interest in developing small artisan crafts, traditional products to be integrated in agro-network.

SWOT ANALYSIS OF ROMANIAN RURAL AREA IN THE CONTEXT OF RESPONSIBLE TOURISM DEVELOPMENT

SWOT analysis of the Romanian rural area included in the National Rural Development Programme (RDP) 2007-2013 highlights the following:

a. **Strengths**:

• the potential significant agricultural (6% of the UAA of the EU-27);

• large areas with conditions favorable to agriculture, allowing also the crop diversification;

• much of OR (28%) is already used by large commercial farms, which mostly are competitive;

• introducing dynamic organic farming in Romania;

• the wide range of renewable energy from agriculture (energy crops);

• irrigation infrastructure that covers a significant part of the agricultural area;

b. **Weaknesses**:

• agricultural productivity, which is below potential (food and non-food);

• an important part of or used by the subsistence and semi-subsistence bad (45% and 16% respectively);

• segment sized commercial farms (11% of UAA) working below potential;

• poor crop diversification (eg: dependence of grain);

• low level of compliance with EU norms;

• endowment low and poor quality especially in small farms;

• low energy use from renewable sources;

• inadequate agricultural infrastructure, including irrigation structures inefficient;

c. **Opportunities**:

• the availability of a large market, in full development, both domestically and on the European level that could be exploited (including organic products);

• bringing underperforming agricultural sector to the real potential by facilitating efforts to modernize and restructure it;

• the priority of the European Union, the use of renewable energy;

• improve energy efficiency and hydraulic irrigation infrastructure through rehabilitation;

d. **Threats**:

• inability to solve the missing markets for commercial holdings (land market, credit, advisory services, marketing);

• weak capacity to absorb EU funds;

• foreign competition (including organic products);

• climate change;

• natural disasters;

• disease outbreaks;

• increasing energy prices and low hydraulic efficiency of infrastructure to support increased irrigation costs.

KEY ASPECTS OF NATIONAL RURAL DEVELOPMENT STRATEGIES ACCORDING TO SWOT ANALYSIS[1]

Rural development strategy chosen by Romania, according to the elements of SWOT analysis (strengths, weaknesses, opportunities and threats) is centered on three issues - key, namely:

(1) Facilitate the transformation and modernization of the dual structure of agriculture and forestry, and related processing industries to make them more competitive and contribute to economic growth and income convergence in rural areas (where possible), while ensuring the living and environmental protection in these areas.

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[1] Processed materials based on NRDP (National Rural Development Programme) 2007-2013.

(2)   Maintain and improve environmental quality in rural areas of Romania, through the promotion of sustainable management both on agricultural land and in the forest.

(3)   Managing and facilitating the transition of labor from agriculture to other sectors to ensure adequate living standards of socially and economically.

This requires a comprehensive approach to ensure the complementarity between NRDP (Rural Development Programme) and other sectoral operational programs (POS), such as the: Regional Development, Human Development, Environment etc. and national development programs (eg: pensions and social assistance programs, national program of land registration etc.).

To address the first key issue, NRDP should focus primarily on how to address and mitigate structural disadvantages in agriculture and forestry, to modernize, consolidate and restructure, which achieves a high level of competitiveness and sustainability of environmental perspective. This will provide a powerful mechanism for preserving rural life, range of viable jobs both on the farm and beyond and contributing to the objective of income convergence while preserving the social fabric. Then, it is envisaged to support initiatives of farmers associations, to avoid excessive capital intensity and high fixed costs, while allowing capture economies of scale, along with the efficient use of scarce capital resources and funds provided by the European Union.

To address the second key issue, NRDP will focus on improving the balance between economic development of rural areas and the sustainable use of natural resources by maintaining and increasing the attractiveness of rural areas - as a basis to diversify holdings and identify activities economic alternative. In order to achieve this, is to support further agriculture in disadvantaged areas, thus addressing the problem of land abandonment, also farmers will be assisted to enter / continue to apply agricultural practices that do not affect the environment. Particular attention will be paid to the support provided to farmers and foresters that they can handle the disadvantages and obligations arising from the implementation of Nature 2000.

To address the third key issue, it would be necessary to consider the needs of the rural areas. According NRDP has two categories of needs: retirement last population and active population, but employed part-time employment or unemployed. Regarding the first category, NRDP, supplemented by national programs will play an important role in facilitating the transfer of land between generations, based on market dynamics, the elderly farmers who currently hold 31% of the total area, the farmers more young. For the second category, the RDP will play an important role in facilitating the diversification of non-farm rural economy and agricultural sector development in part-time employment.

In Romania, currently holding individual prevails as a form of organizing agricultural production in Romanian countryside. With a share of over 90 % of current agricultural structures, it is easy to understand the importance that is given to this form of organization of agricultural production. They use over 50 % of the agricultural area of the country, with an average of less than 1 ha / farm. This average is a concern for policy in these tasks, especially since most of these farms (70 %) produced entirely for consumption. We infer, therefore, that they must be restructured, meaning to find an industry that have the vocation and can work in terms of economic efficiency .

In conclusion we can say that, you must create alternative sustainable rural development so that the local community economy must become multipurpose, to be able to strike a balance in the restructuring process of the individual farm. Thus, the creation of new activities, diversification of food products and increase their recovery, development of services downstream and upstream agricultural activities and the development of non-agricultural activities in order to capitalize on local resources.

CONCLUSIONS

(1) **The key issues facing the Romanian rural areas** are:
• rural income per capita 27% lower than in urban areas;
• poor rural infrastructure development (roads, water supply, sewerage, communications etc.);
• the migration of rural youth;
• poor development of complementary income generating activities;
• low possibility of promoting and selling craft items;
• poor use of local resources;
• the low education level of the rural population;
• poor promotion of areas of great interest and great tourism potential;
(2) In this context, **require urgent needs and objectives**:
• the transitional semi-subsistence farms to help their restructuring ;
• upgrading technology of cultivation and animal husbandry;
• the development of agricultural infrastructure ;
• increased productivity in agriculture and forestry;
• improving yield and quality and compliance with Community rules ;
• diversification of production to broaden channels less developed products ;
• modernization of processing enterprises;
• encourage regrouping (association) communication between farmers and farmers through help provided for the establishment and organization of producer groups;
• acquiring knowledge for compliance with sanitary - veterinary, animal welfare and the environment, to improve the quality of agricultural products;
• encourage and promote innovation and access to research and development;
• maintain employment in rural areas and preventing the aging population in mountainous areas by motivating young people;
• maintain traditional activities on the land;
• achieving an optimal loading of animals per unit area;
• increase in forest areas and improving forest management;
• maintenance of traditional cultural heritage in mountain areas;
• the need to develop sustainable agricultural systems to counterbalance the effects of intensive exploitation of land;
• preservation of high natural value of agricultural land by maintaining traditional activities in rural areas ;
• implementation of measures by farmers to reduce soil degradation phenomena;
• diversification of economic activities in rural areas for non-agricultural and promoting new technologies;

• Improving rural infrastructure and services;

• support the establishment and development of micro enterprises to promote entrepreneurship and increase local value added;

• promoting rural tourism areas;

• training of human resources to create local strategies that contribute to the horizontal development of rural;

• improving basic public services and investments that make rural areas more attractive in order to reverse the downward trend and social economic and depopulation of the countryside;

• renaissance social and cultural traditions lost under communism;

• preserve natural and cultural heritage;

(3) **SWOT analysis** indirectly leads to the selection of the following needs:

• The need to provide people leaving farming training related to new industry and job opportunities (1.1 million people left farming during the period 2002-2005).

• The need to provide help to people who remain in agriculture in order to increase their income on increasing efficiency , ensuring effective transfer of knowledge and technology.

• The need to develop the competitiveness of the agro-food sector by encouraging investment in new technologies and new products.

• The need for development of agro-food sector to increase value added.

• The need to promote environmentally friendly initiatives and biodiversity conservation.

• The need to promote increased awareness of farmers about environmental issues and providing training / skill to achieve desired results in relation to the environment.

• The need to encourage and facilitate agricultural diversification towards non-agricultural activities to meet the needs of the wider rural economy, such as tourism and agro-tourism development.

• The need to improve the provision of services in rural areas, especially in less accessible areas.

• Need to improve conditions in the villages and rural areas.

• The need to create jobs in rural areas.

• The need to encourage the development of local partnerships.

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THE ASSIMILATION OF ANGLICISMS FROM THE TERMINOLOGY OF COSMETICS IN CURRENT ROMANIAN

Asist. univ. drd. Iulia Drăghici,
Universitatea Romano-Americana,
Departamentul de Limbi Straine

According to a widely accepted definition, Anglicisms represent loans from British and American English, going through a process of adaptation to the Romanian language. This feature distinguishes them from fully assimilated loans and those that have retained their full foreign nature (the so-called xenisms or **străinisme**[1]).

The impetus underlying the present paper is the limited attention given to Anglicisms in the terminology of cosmetics in the Romanian literature devoted to the influence of English.[2] With the exception of DCR3, the Romanian lexicographic literature (DEX, MDN, DOOM2) fails to capture the true impact of the English language on the language of cosmetics which constitutes a genuine terminology, the main features being the *heterogeneity* (specialized terms alongside general words), *mobility* (due to the dynamics of the domain of cosmetics) and great *responsiveness* towards international lexical loans.

The terminology of cosmetics (TC) in current Romanian has become more and more captivating due to the increased importance that the field has been gaining in the Romanian society of the past decades. The mass media favors the expansion of specialized terms beyond the realm of specialists and registers their use with increased frequency in the common language. Alongside other terminologies, TC is still an area which puts the specialized vocabulary in direct relationship with the common vocabulary and highlights the ability of current Romanian to enrich through loans, but also by stimulating the assimilation and development of lexical creativity – the assimilation and usage of Frenchisms, Italianisms and especially Anglicisms.

Particularly in the last two decades, numerous borrowings from American or British English have been added to the existing French neologisms or Italian equivalents of TC that had been assimilated over the last two centuries. The former have totally or partly retained their foreign characteristics, justifying the TC's qualification as a jargon[3].

The openness of the rapidly-enlarging lexical inventory in the context of the linguistic globalisation process[4] constitutes sufficient justification for our increased interset for the TC Anglicisms. Secondly, once spreading onto common use, mainly by means of the media, they are subjected to an accelerated process of ' laicisation ' (vulgarization).

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[1] The three categories of terms appear in the preface of DCR3: 13 and in Stoichiţoiu-Ichim (2001b:83-84).

[2] For a comprehensive bibliography of the English influence on Romanian, see Constantinescu; Popovici; Ştefănescu (2002) and Stoichiţoiu-Ichim (2006).

[3] „A jargon is interpreted as a distorted language, with many foreign elements, used by speakers of a social group in order to differentiate from others" (DSL: 282) – („In a fairly current interpretation, a jargon is any technical language, with specialized terminology").

[4] Bidu-Vrânceanu (2000: 27)

The present paper is limited to a category of TC terms featuring a lower degree of specialization or even general use, which do not exclude the polysemy or synonymy in the context of interference with the common lexis. Most of them are **'luxury' loans** [5], devoid of any objective motivations and sometimes seven lacking semantic precision, but "cosmeticized" by the prestigious connotations associated with the foreign term. In the media they double and tend to exclude from use Romanian synonyms or even neologisms of Latin/Romance origin[6].

Our approach is mainly descriptive and tackles the semantics of TC terms with respect to the meanings of their English etymon (as recorded in the Oxford Advanced Learner's Dictionary). The corpus of terms under investigation is taken from popular beauty catalogues and glossy magazines: AVON, BRAVO GIRL, COOL GIRL, COSMOPOLITAN, GLAMOUR, THE ONE, UNICA and VIVA. The semantic novelty status of each new term was checked by reference to the dictionaries of neologisms of the Romanian language (MDN, DCR3).

1. The **category of 'absolute' novelties**, not very large, includes Anglicisms still unrecorded in Romanian dictionaries, but whose use is certified by the current discourse of cosmetics and body care techniques. Although those terms are usually polysemantic, they were adopted into Romanian as monosemantic, by means of borrowing a unique sense of the term. The semantic restriction is thus associated with *functional specialization*.

We are presenting several examples of nouns and adjectives in this category.

The term **blush** – borrowed from English with its secondary meaning („cream or powder used for making your cheeks look red or pink" DEA: 186) – is not listed in the Romanian dictionaries of neologisms, though it represents a serious competitor for the Rom. *fard de obraz*, both in the specialized language and in the media.

In some contexts, the terms *blush* and *fard de obraz* alternate: „Kim Kardashian, într-o rochie bizară în Paris, seamănă cu o pasăre de foc (...) *fardul de obraz* extrem de aprins a fost însă cel care a atras toate privirile, frumoasa optând în majoritatea ocaziilor pentru *blush*-uri excentrice... (C, 1/2013, p. 26)

The frequency of the Anglicism is impressive in publications or specialized contexts: „*blush* duo 24K Gold" (A, 12/2012, p. 50); „Iulia Vântur are o piele perfectă, ...vedeta poartă un *blush* Coral Reef de la Revlon..." (G, 7/2012, p. 8)

The Engl. **body milk** is recorded in the DEA:193 with the meaning of „lotion for the whole body", being thus borrowed with its second meaning from English. The phrase is not listed in Romanian dictionaries of neologisms, though it is frequently used instead of the Rom. *lapte de corp* (fr. *lait de corps*), both in the specialized language and in the media: „Nivea *Body Milk* pentru o piele ca de bebeluș..." (V, 3/2012, p. 12); „Skin So Soft – *body milk* cu efect de încetinire a creșterii părului corporal" (A, 8/2012, p. 151); ... „poartă o piele de invidiat, folosind un *body milk* hrănitor și ușor parfumat din gama Forever Young Rimmel„ (TO, 12/2012, p. 24).

The Anglicism is used very often in publications or specialized contexts: (A, 1-12/2012 – „body milk - gama Skin So Soft", „Avon Naturals body milk", „body milk -

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[5] Guțu Romalo (2005:47)
[6] Stoichițoiu-Ichim (2006a: 581)

Beautiful Hydration", „body milk - Solutions Hydra Beyond", „Indulgence body milk") – its use in the company of exclusively English phrases thus facilitating the usage of *body milk* to the detriment of the Romanian *lapte de corp*.

An interesting case of functional specialization is the English noun **concealer** which appears as a specialized term in TC in order to designate the cosmetic product used to conceal or reduce the black eye circles or face skin imperfections. The term is borrowed with its secondary English meaning („a skin-coloured cream or powder used to cover spots or marks on the skin or dark circles under the eyes - DEA: 272) and it is not listed in Romanian dictionaries of neologisms, though it represents a serious competitor for the Rom. *anti-cearcăn*, both in the specialized language and the mass-media: „*concealer* cu efectul garantat al unei măşti nutritive de noapte pentru ochi obosiţi (V, 3/2012, p. 15); „... mascheză cearcănele sau petele de soare nedorite cu un *concealer* pe bază de lapte de migdale de la L' Oréal" (TO); „*concealer Clearskin* – ascunde imperfecţiunile şi se adaptează perfect oricărei nuanţe de ten" (A, 12/2012, p. 81).

The Engl. **gloss** is borrowed with its secondary meaning („a lipstick that gives a glossy finnish"- DEA: 369) and it is not listed in Romanian dictionaries of neologisms, though it is very much used, alongside the Rom. *luciu de buze* (regressive derivative from the verb *a luci* – DEX, p. 583), (in specialized language and teenagers' jargon).

However, in glossy magazines, the term *gloss* is preferred to the Romanian *luciu de buze*. „ Shine Sensational *gloss* cu efect de mărire a buzelor de la Maybelline New York" (TO, 12/2012, p. 36); ...Totul despre *gloss* – Unica (04/2011, p.19); În 1930, lip *gloss*-ul a fost folosit pentru prima dată în machiajul de televiziune... primul *luciu de buze* cu aromă a apărut în anii 70... (www.unica.ro/detalii-articole/articole/totul-despre-gloss-18417.html)

In the case of the English word **peeling**, used in TC only as a noun, Romanian has only borrowed its secondary meaning ("to remove a layer, covering, etc. from the surface of something" DEA: 310): „...*peeling*-ul chimic poate fi utilizat pe toată faţa sau în regiuni specifice, cum ar fi fruntea sau aria din jurul gurii" (TO, 12/2012, p. 17); „*peeling* gel pentru corp cu ulei de măsline şi minerale din Marea Moartă" (A, 12/2012, p. 48); „înainte de a aplica orice tip de peeling pe ten, trebuie să..." (G, 7/2012, p. 19); „peeling-ul cu fenol este folosit pentru a trata riduri faciale fine, pete ale pielii cauzate de sarcină, anticoncepţionale, boli virale, expunerea la soare." (U, 04/2011, p.26).

The English phrase **smokey eyes** is used in Romanian with the meaning of specific eye make-up, being borrowed with its secondary English meaning („make up having the appearance of smoke areound the eyelids DEA: 426). Examples are abundant in the media, certifying the widespreading of this Anglicism: „în această vară machiajul *smokey eyes* prinde culoare! Descoperă combinaţii inedite!" (A, 16.08.2012 – 05.09.2012, p. 37); „noul *smokey eyes* presupune mult mai puţină culoare intensă, mai puţină mascara şi nuanţe complementare în colţurile ochilor pentru a da impresia ..." (G, 7/2012, p. 41); „Mirela V., Make-Up Artist Rimmel London, te învaţă cum să-ţi faci un machiaj *smokey eyes* perfect." (TO, 12/2012, p. 21); „Machiajul *smokey eyes* este machiajul preferat de toate vedetele, fiind de ceva vreme pe catwalk-uri şi în revistele de modă" (www.divahair.ro/frumusete/make_up/obtine_un_machiaj_smokey_eyes_perfect!).

2. **The 'relative' novelties category** is more interesting for the understanding of the meaning dynamics in the functioning of the language itself. Within the concept of

meaning neology, the signifier of a neologism listed in Romanian dictionaries gets enriched with a meaning pertaining to the specialized cosmetic field, so that the Anglicisms already assimilated into Romanian borrow other meanings of the polysemantic English etymon..

Make-up is listed in the MDN: 529 with the meaning of 'face make-up' (from the Engl. *make-up*), keeping its original graphical form (cf. DOOM2: 462). In current use, the Anglicism is attested as having a double significance, just like its English etymon: (1) make-up, cosmetic products, corresponding to the first meaning of the English word *make-up* „substance used especially by women to make their faces look more attractive" - DEA: 461) „... şi câştigă o şedinţă de *make-up*!" (U, 4/2012, p. 52); „ pentru un plus de prospeţime şi un look tineresc, foloseşte makeup-ul cu moderaţie şi concentrează-te pe atitudine,"(C, 10/2012, p. 10); „cel mai cool-make-up à la Lady Gaga" (V, 5/2012, p. 17); „trusă de make-up" (A, 2/2012, p. 35) „şedinţe de make-up şi hair-styling profesionist" (TO, 12/2012, p. 24).

With its second meaning, the Anglicism apppears in the phrase *make-up artist*, already popular in TC to refer to a specialist in the field of make-up, with a view to beautify[7]: „10 sfaturi pentru a fi *make-up* artist la tine acasă!" (V, 5/2012, p. 31); „ a învăţat meserie la Paris şi Milano, „furând meserie"de la make-up artişti internaţionali" (G, 1/2012, p. 30), „Mihaela H. – make-up artist" (TO, 10/2012, p. 3).

The two meanings appear together in a word pun that forms the ad of a notorious make-up company "Max Factor – the *Make-Up* of *Make Up* Artists.

Conclusion

This brief presentation of a limited number of TC Anglicisms highlights the fact that, in this area, the Romanian language's hospitality[8] towards loans is gaining more ground than its capability of innovation expressed through various modalities of assimilation.

The "cutting edge" character of the majority of the linguistic facts discussed above makes it considerably more difficult to formulate conclusions or predictions solidly documented. Nevertheless, we consider that the monitoring of the TC Anglicisms proves rewarding both for lexicology and semantics as well as for terminography and lexicography through highlighting the new terms or the new meanings, already recorded in the current use of the Romanian language.

ACRONYMS AND ABBREVIATIONS

A – „Avon"; C – „Cosmopolitan"; DCR3 – Florica Dimitrescu, (coord.), Alexandru Ciolan, Coman Lupu, *Dicţionar de cuvinte recente - A Dictionary of Recent Words*, ediţia a 3-a, Editura Logos, Bucureşti, 2013; DEA – M. Görlach (ed.), *A Dictionary of European Anglicisms*, Oxford, Oxford University Press, 2005; DEX, Academia Română, Institutul de Lingvistică „Iorgu Iordan", *Dicţionarul Explicativ al limbii române – The Explanatory Dictionary of the Romanian Language,,* ediţia a II-a, Bucureşti, Univers Enciclopedic, 1996; DOOM2 –

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[7] Stoichiţoiu-Ichim (2006a: 588)

[8] Stoichiţoiu-Ichim (2006a:594)

Dicţionarul ortografic, ortoepic şi morfologic al limbii române - The Orthographic, Orthoepic and Morphological Dictionary of the Romanian Language (coord. Ioana Vintilă-Rădulescu), ediţia a doua revăzută şi adăugită, Bucureşti, Univers Enciclopedic, 2005; DSL- Angela Bidu-Vrănceanu, Cristina Călăraşu, Liliana Ionescu-Ruxăndoiu, Mihaela Mancaş, Gabriela Pană Dindelegan, *Dicţionar de ştiinţe ale limbii – A Dictionary of Linguistic Sciences*, Bucureşti, Nemira, 2001; G – „Glamour", OALD – A.S. Hornby, *Oxford Advanced Learner's Dictionary*, 7th edition, Oxford, Oxford University Press, 2005; MDN – Florin Marcu – *Marele dicţionar de neologisme - The Grand Dictionary of Neologisms* – Bucureşti, Editura Saeculum, I. O., 2002; TO – „The One", U – „Unica"; V – „Viva";

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8.   STOICHIŢOIU-ICHIM, Adriana, 2006b - *Aspecte ale influenţei engleze în româna actuală*, Editura Universităţii din Bucureşti.

9.   STOICHIŢOIU-ICHIM, Adriana, 2006c - *Creativitate lexicală în româna actuală*, Editura Universităţii din Bucureşti.

10.   www.divahair.ro/frumusete/make_up/obtine_un_machiaj_smokey_eyes_perfect! (consultat 03.02. 2013)

11.   www.unica.ro/detalii-articole/articole/totul-despre-gloss-18417.html (consultat 03.02. 2013)

CONSIDERATIONS REGARDING THE SIZE OF INNOVATIVE ORGANIZATION IN THE KNOWLEDGE ECONOMY

Popescu Manoela, Crenicean Luminiţa Cecilia[*]

Abstract

In the knowledge economy innovative and creative entities are potential successful actants. This is because the basic characteristic of organizations in the context of the knowledge economy is innovation. Organizations that are currently developing are those in which the entrepreneurial spirit and creativity manifests. An analysis of successful organizations revealed that innovative entities have certain dimensions that can be not only identified but also quantified, which contributes to creating a successful organization in the context of the knowledge economy. Obviously, the premise of the study is that innovation is a complex organization of people who have high capacity for innovation, the synergy created conferring specific characteristics to that legal entity. Conducted analysis revealed that innovative organizations are not devoid of traditions and customs, but contrary, their major role is to provide the foundation of innovation mechanisms developed within legal entities, elements of organizational culture.

Keywords: organization, innovation, creativity, knowledge, organizational culture

JEL Classification: **JEL. D83, M14**

1. Introduction

Literature successfully manages characteristics of the knowledge economy. One of these features is innovation, closely linked with creativity.

Starting from the idea that creative and innovative entities can model economy and society, the study analyzes the successful entities (businesses and individuals) who have been the subject of another study on entrepreneurship in order to identify not only their size characterization in terms of innovation and creativity, but also the mechanisms of individual and organizational innovation.

The basic hypothesis of the study concerns the need for creativity and innovation at individual and organizational level, since any natural or legal entity devoid of creativity and innovation does not have much 'to live' in the context of the knowledge economy. Business people agree that a serious, competitive business has no shortage of creativity and innovation in relation to employees, customers, suppliers, partners and stakeholders. In the business world it is stated that market offered goods and services (competitive) are the

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[*] Professor of Dimitrie Cantemir "Christian University", Bucharest, Roumania, manoela.popescu@gmail.com
Assistant of Dimitrie Cantemir "Christian University", Bucharest, Roumania, manoela.popescu@gmail.com

result of employees' creative thinking and inventiveness. Obviously, the study reveals that not all organizational units and all employees identify themselves with the concept of creativity or innovation and not all the time, especially when synergistic efforts are directed towards achieving the immediate objective, clearly defined, but only for certain period of time. Moreover, previous research has led to the idea, considered the hypothesis of the present study, that not all employees feel good In a creative environment and can, under any circumstances, create such an environment. It is good that those expresses innovative spirit in their routines activity. Each entity has a well defined role in the effective functioning and performance of the organization or society.

2. Innovation and creativity in knowledge economy

Known is that in achieving a competitive economy, the focus is on three key factors: knowledge, innovation and entrepreneurship. Considering innovation as fundamental to a competitive organization it comes with the necessity of increasing innovation, creativity at organizational level so that entities can successfully cope with changes in the global environment, the time constant challenges, crises and change paradigms. Implementation of knowledge requires the courage to innovate and constantly manifest an entrepreneurial spirit. Research has shown that investment in human resources, in technology, design and dissemination of knowledge are ways to increase the capacity of proactive manifestation of entities in the current context in which they occur.

Entities who have information have power, including that of the environment occurs in specific proactive action. The success of legal entities is being associated with the number of creative and innovative people who compose it. These are likely to be creative whether there are within powerful technology, innovative spirit, talented employees and professionals, entrepreneurial culture, tolerance. Implementation of ideas in a legal entity represents innovation. But physical entities creativity, groups and communities is a necessary, but not sufficient for innovation [Amabile, (1996)].

Creativity and innovation are not just the preserve of legal entities, but rather of the individuals. Man, the essence of all things, is creative element, himself being a creative result of learning processes. Individuals can learn to be creative innovative in performance to what they do. Obviously, creative spirit manifests itself in a specific context, framework, including organizational and especially organizational. Legal entities are social systems, and creativity is a multidimensional concept that can occur in different areas. Social system components being [Bondrea, (1981)]: such material (product, technology, raw materials, etc..) such ideal (symbols, values, traditions, customs, rules, practices, etc.) psychological nature (attitudes, beliefs, ideas, prejudices, feelings, opinions, experiences etc).

About creativity Allport [Tucicov-Bogdan, (1973)] said that "psychic substratum of creation is irreducible to assume a general skills and personality to the new organization of mental processes in the system of personality."

Creativity is the key driver of innovation the development of personal, occupational, entrepreneurial and social well-being of all individuals in society. (Logo-ul Anului European 2009) [www.create2009.europa.eu]. Research has revealed that there is no universally accepted definition, nor for creativity or innovation literature managing a

number of studies which highlights the various definitions of philosophical perspective, economic, behavioral, psychological, artistic, etc., two phenomena, namely identifying the meanings of creativity, creativity goals, drivers of creativity (expertise, creative thinking skills, motivation, imagination), creative types (conceptual, artistic, scientific, technological, economic, entrepreneurship, etc.). etc.

For example, creativity can be approached from the perspective of product created, from the perspective of the creative process and creative person perspective. Whether it is addressed, creativity in organizations creativity is a cultural, if only because any creative person is a carrier of culture. Also created is a product of cultural creation organization. In fact, creativity is a complex personality trait of the individual / organization.

There are several theories on creativity [Bâtlan, (1993)], some in relation to technical developments (technical design, sociological theory, technicist theory, structuralism theory), and others in relation to the influence of psychological factors (associative theory, configuration theory, behavioral theory, theory and policy features, psychoanalytic theory).

Creativity at group level, community, organization, society is based on individual creativity. But no matter at what level manifests any creative process must generate something original and have value[*]. The value is considered to be a functional relationship between subject and object. Value is essentially a social relationship. It is essentially a social phenomenon whose existence is directly linked to the presence of capitalizing subject and object valued. Value is involved in a variety of forms of social reality, from trends and interests to projects and their implementation, from aspirations and ideals to particular human creations. But the value does not identify constitutive properties of things, with characteristics, defines the qualities that elements of reality only gets them for humans, according to the appreciative attitude of organizations. Unable to exist without social conscience, values are determined by social existence and are recognized as values by organizations in certain circumstances. Existence values involve preserving, transmitting, disseminating and their social recognition. For this purpose, people use and built their own languages, composed of material elements: objects, symbols, sounds, gestures, scientific forms of expression, physical or electronic models etc. These languages gains human significance, become understood, bearing political, aesthetic, scientific messages.

Treated in the literature, as a phase of creativity [Bâtlan, (1993)] innovation defines the unique organization of mental processes in the formation of the constructive system of personality skills to obtain new and original. A definition of creativity from an economic perspective reveals it as a a first phase of the innovation process (Le grand ROBERT de la

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[*] New and original perspectives on the value are presented in the following works: A. D. Xenopol, La theorie de l'histoire, 2ed, Princepes fundamentaux de l'histoire, Ed. Leroux, Paris, 1908; P. Andrei, Filosofia valorii, Fundaţia Regele Mihai I, Bucharest, 1945; E. Lovinescu, Istoria civilizaţiei române moderne, Ed. Ancora, Bucharest, 1924-1926; T. Vianu, Introducere în teoria valorilor întemeiate pe observarea conştiinţei, Cugetarea Georgescu – Delafras, Bucharest, 1942; Filosofia culturii, ediţia a II –a, Ed. „Publicom", Bucharest, 1945; M. Florian, Curs de filozofie generală, Universitatea Bucharest, Facultatea de Filozofie şi Litere, I, 1946-1947; M. Ralea, Psihologie şi viaţă, Fundaţia pentru Literatură şi Artă „Regele Carol II", Bucharest, 1938; Introducere în sociologie, Casa Şcoalelor, Bucharest, 1944; M. Ralea, T. Hariton, Sociologia succesului, Ed. Ştiinţifică, Bucharest, 1962; L. Blaga, Trilogia valorilor, Fundaţia Regală pentru Literatură şi Artă, Bucharest, 1946; I. M. Popescu, Bazele teoriei culturii şi valorilor în sistemul lui Lucian Blaga, Ed. Eminescu, Bucharest, 1980.

langue française, 2ème edition, 1996). Also, innovation can be social, technical, economic, behavioral, etc.

As a result, creativity involves the following steps faze [Buzărnescu, (1996), Gary, (1996)]: change (adaptation of a situation to a new functional context), assimilation (familiarity with the logic of the work process, investigative technique and dexterity of execution), innovation (as the use of existing solutions in the field of activity), invention (as the application of original thinking and creative design).

In the knowledge economy, physical entities can achieve one or more hierarchical levels of creativity, as they were developed by Taylor [Bâtlan, (1993)]. Thus, regardless of the activity and the size of the legal entity that manifests any physical entity may have or develop the following forms of creativity: creativity expressive (creative behavior) productive creativity procedural (behavioral style creative approach to the problem which reflected in processes and products, but have a low degree of originality and value) invented innovative creativity (show makers and creative thinking of people by creating new products or modifications and adaptations of existing ones) unpredictable creativity (creativity manifested at any time without human creativity factors, such as creative thinking to harbinger of this phenomenon). In this sense, we can consider that, especially in the context of the knowledge economy, entities may exhibit different degrees of creativity in their activity in relation generated and generally throughout their socio-cultural and economic existence. Obviously, as the creative process to perform certain conditions, that is to unfold a series of triggers act of creation and innovation. The literature emphasizes different sources that can generate innovation within the legal entities in the context of the knowledge economy: *differential use of material and moral incentives* for associating the individual interests of members of the legal entity with its fundamental objectives and each compartment in part within it; *engaging all organizational members* in critical analysis of the organizational structure, rules, practices, procedures and so on, and clarify what needs to be changed in order to achieve high performance; *promoting interdisciplinary analysis of modern principles of managerial phenomena* by introducing decision models in each legal entity, methods , techniques and procedures that have proven validity in other organizational contexts; *using authority, the range of authority for the purposes of stimulating initiatives* and risk taking posed discovering and assuming new ideas; *degree of novelty of the business activity* of the entity and its potential for problems; *real and effective communication; entrepreneurial organizational* culture (attitudes towards risk, innovation, creativity, creative climate, work style where imaginative thinking is of particular importance participative management style, etc.) etc.

The hypothesis of the study, in fact confirmed, was that powerful entities have a strong organizational culture and employees are selected according to it. Obviously, organizational cultures are characterized by a high degree of innovation and creativity, as both phenomena occurs within an entity, individual and organizational leadership are stimulated by a creative and democratic participative management style. The research conducted revealed that elements of culture gained, namely traditions and customs are mainly triggers innovation and creativity at the organizational level.

Organizational culture is a source of creativity and innovation since is a phenomenon directly linked to performance, reflecting the propensity for risk-taking

systems performance related to creative and innovative efforts or, conversely, the tendency of inertial systems to avoid the risks and minimal involvement in creative approaches [Huţu, (1999)]. Moreover, creativity and innovation play an important role in all aspects of business performance extrapolation, from product idea, the design of such products and services, testing and marketing, manufacturing (introduction in process), promotion and distribution / delivery their environment and customer satisfaction research, develop networks and partnerships. The relationship between the creative process, the act of creation and performance studies, but less quantified is at interest among specialists and practitioners.

The paper may have maximum 2 levels of headings, but no more. Authors are encouraged to have their contribution checked for grammar. The text is to be typeset in 11 pt Times New Roman, single spaced, align justify.

Use footnotes for additional explanations. Please keep the number of footnotes to a minimum. Papers should not exceed 8,000 words.

3. Size characterization of innovative entities

The aim of scientific endeavor undertaken was to demonstrate not only the importance and the need to address to physical and legal entities in terms of creativity and innovation, but to identify the key issues and relevant mechanisms of these entities for the construction of models of successful organizations, the prevailing phenomena analyzed at individual and organizational level, obviously to ensure increased business competitiveness. Thus, the research revealed that the creative spirit is learned and inherited, learned through education and training or through self-education, namely inherited, situation in which an individual has specific personality traits of successful innovation and creativity, and a certain attitude, proactive behavior, and action-oriented leadership. Using a series of quantitative and qualitative methods (interviews, case studies, quizzes, tests), research has shown that successful entities are developing an entrepreneurial culture that prevails innovation, creativity and the accumulation of knowledge and that they have certain characteristics which may constitute elements of a successful business model.

Taking into account those many forms of creativity and innovation, the study mainly focused on conceptual and social creativity and social innovation. The creativity means the generation of new ideas or concepts, or new associations between ideas, knowledge and existing concepts. It was also aimed at identifying innovative dimensions to characterize entities in dual perspective: individual creativity and innovation, organizational creativity and innovation (of the group, territorial or structural unit, depending on the organization of each legal entity separately).

Thus, the dimensions of characterization of innovative entities in terms of the individuals who compose them, are relevant to the concepts of innovation and creativity approach (and social) in which the prevailing principle of empathy and a certain philosophy and strategic planning to position allows management to analyze and to argue the role of the individual within the entity, and the company in society and the impact it has on the environment or specific action.

As such, the dimensions can be analyzed on three levels: material (physical), social and cultural. In other words, the study reveals that innovation and creativity are conditional limited or favored by the values, norms, processes, capital (human, material, cultural, social, institutional, and structural) that organizational culture. From a cultural perspective, physical entity that is formed in a specific cultural space accumulates culture, while having the ability to use products in a creative organizational culture and society in which he lives and goes himself to create culture. By participating in the organizational culture, the personality of each member of the organization is objectified, contributing to enriching and transforming the cultural environment that shaped it. So any personality acts as a veritable cultural agent. Active relationship that man has with the cultural environment is highlighted by the fact that he chooses the organizational culture and society, the reactive or on its own initiative, certain that, after suffering some changes sometimes are included in own cultural budget.

As such, cultures analyzed are heterogeneous cultural entities as classified by Klempa [Klempa, (1993)], namely have a high level of innovative and creative risk-taking, have a thorough knowledge management (i.e. manifestations of creativity decision), learning is the main element of the implementation process of new knowledge for innovative projects, and to increase the ability to diagnose problems and systematic sources also in the process of hiring a new vision for the future of the company. Learning in the analyzed entities is a creative process that involves individual willingness to question their views and to stimulate others to do the same. This process derives from the paradigm that open communication and distribution of information and power in the entities can lead to better recognition of problems in defining and solving them. Such entities have been designed and developed as the create knowledge systems; have sustained concerns for creativity and innovation as key sources of competitive advantage.

Among the dimensions that characterize creative and innovative physical entities have been found a large proportion of the 200 personality traits identified by Davis [Davis, (1999)]: imagination, sensitivity to the problem (hence the manifestation of the creative spirit and inventive to solve those problems), curiosity, intuition, tolerance (including failure), independence, originality, nonconformity, analytic and synthetic spirit, spirit of observation, perseverance, desire pass / win, seeking feedback, problem solving persistent, initiative, responsibility, flexibility, imagination, oriented opportunities, optimism, self-confidence, high levels of physical and mental energy, skill practice, synthetic ability, analytical ability, thinking convergent / divergent, emotional intelligence, social intelligence.

Obviously, in the literature there are almost to each of these features methods, tools and test measurement (degree of creativity or creative potential and innovation) and to stimulate creativity and innovation (brainstorming, scenario method, morphological matrix method, Ishikawa diagram, Pareto chart, etc.). Also taking into account that the emergence and manifestation of creativity and inventiveness requires the existence of determinants of creativity and innovation literature reveals creativity indicators build on these factors. The study identified among the determinants of individual and organizational creativity and innovation contextual factors (economic, technological, cultural, social, demographic, institutional, structural) that can positively or negatively influence the creative potential and internal factors (individual and organizational): talent, tolerance, independence,

intelligence, vision, entrepreneurship, technology, organizational culture, characteristics of the entity, group work, managers, owners, personalities in the organization, the processes of recruitment, socialization and integration, the beneficiaries of the organization, the organization's philosophy, motivational process, organizational management, organizational relationships.

Dimensions of innovative entities can be easily quantifiable in terms of their outcome manifestation: economic impacts (economic performance) and social effects, i.e. profit, turnover, innovation index, the share of products under development in the supply of legal entities, the share of modern overall management methods and management, weight management decisions result of managerial creativity in all decisions, customer satisfaction, image entity stakeholders, the degree of membership of employees in the entity's objectives, etc.

However the study shows that innovation and creative requires a shift in reward organizational and even national entities which have a high creative potential, to effective manifestation. Of course, the reward system requires certain specific framework conditions primarily appreciation of values. The relevant framework to ensure these conditions are legislative regulations, administrative and specific markets and support programs of governments and other organizations.

The study conducted led to few concrete results (dimensions and mechanisms) that can be used to build a model of successful business organization in terms of the creative spirit and innovative networking performance. The analysis addresses four levels of impact on growth performance innovative spirit: the individual, the community / group, and organizational (company, organization, company) and societal level (macro level). The creative spirit is specific individuals, but also groups, companies and even corporations.

Based on the specific features of innovation and creativity held by entities analyzed can be considered as relevant not only psychological facilities but also the general and specific conditions necessary to encourage and promote inventive spirit: business culture, specific institutions, cultural institutions, markets financial, technology, infrastructure, management, flexible labor market, government policies to support and promote the phenomenon of innovation, education and training, access to finance, markets, structures, education and training, policy environment conducive to innovation. So the attitude, success-oriented and performance will generate actions using the abilities and skills event held for innovation and creativity in different shapes, sizes and areas, thus being the emergence of new companies, ideas, products / services, penetration new markets with new products, new ways to do things differently, but in a positive sense, efficient. Of course, all these actions will increase the competitiveness of entities to raise living standards and civilization that will generate synergistic new action spirits, positive ones [Popescu, Crenicean, (2012)].

3. Conclusion

Entities that show innovative and creative spirit are those that are socially responsible and achieve high performance. Although accredited the idea that innovation (creativity) is a necessity only in certain situations, uncertainty, chaos, crisis or rapid change

like the technology, customers' value, etc. .however, based on the direct relationship between success and innovativeness, creative orientation to the act of creation is essential for any business and economics. For example, in 2009, the European Year of Creativity and inventiveness led by specialists consider creativity and innovation as the vanguard of the Romanian economy. Of course, while demonstrating that although there are many entities (physical and legal) successful in manifesting the innovative and creative spirit however, the Romanian economy has seen a tremendous growth due to the fact that conditions are not supporting and promoting the spirit innovative, but in a lesser extent.

Conducted study provide a broad framework for action in the scientific approach and practical in analysis of the impact on achieving innovative spirit for high performance, offering courses of action in order to develop successful models of entities that reveal different ways of enhancing the entire human creative potential and change of attitude entities success. In this regard, it shall require at least the following areas of research: analysis of the relationship between innovation and performance oriented entity, identify the basic conditions of manifestation of the creative spirit, learning to identify patterns in developing innovative spirit in terms of personal self-efficacy, analysis of the relationship innovation - intelligence in organization.

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INTERPERSONAL COMMUNICATION SKILLS, AT THE ORGANIZATIONAL LEVEL, RELEVANT IN THE CONTEXT OF GLOBALIZATION

Popescu Manoela, Crenicean Luminiţa Cecilia[*]

Abstract

The approach of organizational issues as communication problems are at least one trend in era of the knowledge economy. The globalization process greatly contributes to consider the communication both as a source and as a solution to the problems faced by legal entities. The conducted study reveals, however, that interpersonal communication skills make the difference between success and failure of organizational communication. Premises of interpersonal communication skills analysis reveals complexity of organizational communication in the context of globalization; identify opportunities for analysis of the communication in an organizational context and symbolic dimensions of communication highlights the importance of the legal entity. The study also identifies effective models of communication behavior as a result of the manifestation of interpersonal communication skills relevant to the knowledge economy.

Keywords: skills, interpersonal communication, organizational communication, globalization, knowledge, relationship

JEL Classification: D8, L14

1. Introduction

Known is that the functioning of organizations is inextricably linked to the quality of interpersonal communication; organizational performance is possible only through effective communication within the organization. Starting from this assumption and using multiple research methods: biographical monograph, observation (personal observation and content analysis) investigation, conversation, different legal entities were analyzed from the perspective of interpersonal communication. An analysis of communication within the group (work group, compartment or department) the actors of the research revealed patterns of effective and ineffective communication, communication behaviors, communication skills specific to the activity of the actors, the importance of the concept of managerial communication, relationships influence and power within groups and the ways of building communication networks. Obviously, the research conducted was related to communication analysis from the process and semiotic perspective yielding valuable

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[*] Professor of Dimitrie Cantemir "Christian University", Bucharest, Roumania, manoela.popescu@gmail.com
Assistant of Dimitrie Cantemir "Christian University", Bucharest, Roumania, manoela.popescu@gmail.com

information used to transform communication into an important factor influencing the efficiency and development of any business.

The study also involved the analysis of the role of organizational context (social - organization is a social and institutional framework - the organization is an institution with rules, norms, values, beliefs, attitudes, expectations, assumptions) on communication, which revealed particularly importance of informal communication and symbolic dimension of communication (status, power, rituals, relationships) of the entities studied.

2. Considerations on the importance of interpersonal communication at the organizational level

In the knowledge economy, information (combination of signs and symbols), and personal and organizational communication means power for all actants, regardless of where any form and context in which these dimensions. Communication is a key element of human development. Those who have mastered how to use information and their information can change realities, meanings and perceptions. The individual is the one which voluntarily or involuntarily communicate and thereby, on the one hand, develop the skills and communication skills, and on the other hand, change their behavior positively or negatively, while generating the parameters needed to create an environment favorable to the development of its personality in an organizational context.

Also, communication is the most important manifestation of interactions between the entity and its specific environment. Most experts agree that success in the relationships between the entity and the environment in which they manifest is provided by effective communication. Moreover, communication is a resource and a component of the organization and organization functioning, however, few researches tackles an organizational context. Maybe so, because a business entity is having the characteristics of a group and a specific organizational structure and activities of other an organizational characteristic (history, traditions, legal form of incorporation, size, etc.) which makes this task difficult. As such, interpersonal communication research in terms of communication in organizational context approach reveals on the one hand, the complexity of communication, because communication is a process, not an event, and on the other hand the symbolic dimension of communication, given that at least the terms: signs and symbols are sometimes used as an equivalent of the concept of communication. Communication means or the action to convey information, feelings, experiences, symbols, views, opinions, etc., or the result of this action. In this sense, the elements or the fundamental factors of communication is: initiator (transmitter), receiver (recipient), channel (vehicle - used here in the broad sense), message and effect. In other words, each communication process has a specific structure represented by one type of relationship developed trinomial transmitter-message-receiver.

In this respect, the study conducted was based on communication approach, in terms of social interaction (school process) as messaging, important as how broadcasters and receivers encode and decode a message and how the transmitter uses channels and communication environment. It was also considered communication as a production and exchange of meanings (significations). Depicting objects of interest is to study how the

messages (text) interacts with people to produce meaning (or significances) and the role of texts in national culture. Communication models identified in analyzed entities are complex and include: events, information that causes the transmitter to transmit the message, the transmitter code, the encoding, message, channel, jamming the receiver, the decoding process.

So communication is an exchange of signals (audible, tactile or visual) in order to inform, instruct or persuade, based on the existence of shared meanings conditioned by the context of relations between those who communicate social context dependent. In *interpersonal communication transmitter is an individual who: has more structured information than the receiver, has a certain motivation, has an explicit purpose (message content) and implicit (it is, in fact, the reasons for sending the message, the more often it is unknown receptor)* [Popescu, (2012)]. Interpersonal communication is accomplished through words, voice, tone, body language, physiognomy, facial expressions, posture, gestures, appearance, color, clothes, etc.

Usually at the organizational level, inter-individual relations are seen as constructions of a larger system that is culture, given that people are carriers of organizational culture (national, local, regional, and family, organizational). **Interpersonal relationships** that develop affective and emotional register, can be positive, negative and neutral. A positive interpersonal relationship can disturb the communication process, the fact that information transmitted through words are not correctly decoded, leading even to the inefficiency of communication. When communicators are glad and happy, not hear the words, and as such, they do not communicate in terms of content, but in terms of relationship. Incidentally when interpersonal relationship has intense negative emotional, relationship troubles plan content and information that is transmitted through words is distorted or lost. If the interpersonal relationship is neutral, is communicated through both words and gestures, distance, mimicry, tone, physiognomy, posture, etc.., which means that communication is on two plans: content and relationship plan.

The importance of interpersonal communication is emphasized by the fact that, in general, any *process of human communication takes effect of cognitive, affective and behavioral nature on communicators.* Interpersonal communication is based on two key concepts: **communication competence and communication community** [Popescu, (2007)].

Communication competence is that knowledge participants needs to communicate. This is because to communicate is not sufficient knowledge of the language, a linguistic system or correct grammatical construction, but each individual must know when to talk, what to talk about who / what to speak, when, where and how mode. This means that someone has communication skills. Experts have not yet developed a scale to assess these skills. One cannot say in an as objective as possible if an individual is more competent than another. Of course, the assessments made by some employers, their employees are subjectively more or less competent in communication. After some specialists [Lohisse, (2002)], individuals who are proficient in linguistic (know the language, linguistics and construction grammar system) can learn the rules determined by the social context, required by communication skills holding.

Certain is that the diversity of language combined with social diversity, hence the need to address from the perspective of interpersonal communication and from communications community concept. This represents a group of individuals who share

certain practices of communication, namely rules governing the communicative process. But an individual is part of several ***community of communication***: family, work (working group) / place of study, social group, locality, region, society, making it difficult to identify the communication practices and impact on increasing their business performance.

Interpersonal communication is crucial to the existence and success of the organization. Moreover, communication establishes and maintains relationships between employees, giving them the information needed to guide and evaluate their own work in relation to the other, with other requirements, the requirements of the organization as a whole, and the environment in which it operates.

3. Interpersonal skills with significant impact in the context of globalization

Globalization and knowledge society brings to the fore the need to develop all entities in all aspects, the latter being based on three pillars: information, communication, connection information. Communication is either a process by which information is transmitted from a transmitter to a receiver or an interpersonal relationship in which two or more people can understand [Gondrand, (1981)]. In this sense, *communication (interpersonal) is that who determines the development of entities*, at least from the socio-cultural perspective.

Obviously, interest in problems of interpersonal communication today is the result of great progress in human history, globalization and labor change, management and organization. Perhaps for the simple fact that the need for effective communication represents a psychological need in the knowledge economy, where time is money and not affect entities sufficient time for communication, which contributes to increased emotional beriberi and organizational inefficiencies. It states that a successful communication must be considered in a relationship and the relationship occurs when one party to the communication process arouses an emotional response or take into account the emotional and affective realities of the interlocutor [De Lassus, (2004)].

Communication in organizational context is the result of several factors, including: the communicative competence of individuals, their history and identity, organizational culture, common communication code, tools and media dimensions of context, particular situations.

In the company focus is on the development of interpersonal relationships to ensure effective communication. ***Human relationships are the most important coordinated in the social system of an organization*** because they contribute to their prosperity. Each of the structures formed at the organizational level behave and act differently. Especially since the knowledge economy produces structural changes due to the penetration of information and communication technology. All of this is possible by introducing a quota of technologies in the social level of the organization. Therefore, existing relational stock in the company is very important for its survival and development in the context of the knowledge economy. Relational stock can be defined as the ability to develop, but also to interpersonal relations, which have a beneficial effect on all parties involved [Popescu, (2007)].

Through communication, individuals pursue certain goals, send some ideas, information, feelings, and significances and develop relationships, including influence.

Each individual carries communication processes which can be analyzed in terms of outward communication, the meta-communication and internal or intrapersonal communication. This means that each individual transmit verbal or nonverbal messages intended the interlocutor, messages and messages are understood by it.

Communication aims to link people, the environment in which they evolve, any communication process is contextualized, it took place in a certain area of psychological, physical, temporal, social and cultural.

Complexity brings communication special requirement to practice manager: **the ability to be a good communicator**, but this skill develops, first by understanding the role of organizational communication. Thus, the manager functions cannot be operational without communication. Goal setting processes, to achieve consistency with the organizational structure and information, harmonization of the initial objectives and actions to eliminate defects of staff training is based on *receiving and transmitting messages*. Communication skills of managers are essential managerial skills to become leaders. The literature highlights the inherited nature of some skills and some skills that can be learned.

Business communication skills can be defined by means of positive behavioral indicators[Popescu, (2012)]: eloquence to move the topic (economy of words) high degree of adaptation to the needs of interlocutors or communities and what others say, clearly establishing the terms of the discussions (without implying that it is automatically understood by others), good diction, language articulated and appropriate environment, high degree of empathy, honesty , high degree of openness, honesty, establishing the context of the discussion, discourse and dialogue fluent, logical, initiating dialogues; active listening, sense of humor, respect for others sociability, degree of systematization and analysis, showing proactive and creative in solving problems, fast thinking, patience, acceptance of change, developing relationships, degree of relaxation in relationships, high dissemination of relevant information at the time and the right time to the right person, the allocation of time for communication, offering aid without regard to reward, finding common interests with others, high investment, originality of thought, high creativity, intuition and imagination, unconventional thinking, broad vision, optimism, convincing arguments, self-control, foresight, good observation, good memory, organization.

It is said that most interpersonal communication skill is listening, especially in the context of the knowledge economy. But, in the mentioned study, is captured more the efforts of entities to develop the interpersonal skills. A hierarchy of interpersonal communication skills with direct implications on increasing personal and organizational performance in the current socio-economic and cultural context led to the idea that sociability, developing relationships, acceptance of change, showing proactive and creative in solving problems, fast thinking, convincing arguments, patience, self-control, anticipation, observant, good memory, organization, optimism, are the most important interpersonal skills. Allocation of time for communication is regarded as an important skill of interpersonal communication in business development because it believes that the time costs. Moreover, in most studied entities focus is on high context communication type, the message is considered sent by default.

In the analyzed entities communication process has the following components: source, transmitter, message, channel, receiver, context, recipient, source of noise.

Discussions, dialogues, meetings, exchange of ideas through words, gestures, attitudes of employees reflect changes arising from socio-economic context, manifested by statuses, roles and power of the the entities. This means that interpersonal skills are influenced by organizational level (positive or negative) of the symbolic dimension of communication. Within the entities, each individual has its own representation of reality and image of him, about others, about the organization and society, which he generate some influences communication behavior and interpersonal communication skills.

As such, the study conducted has led to the construction of a communication model in which interpersonal communication skills of the transmitter / transmitters and receiver / receivers is the foundation on which is built the message, which is encoded and decoded according to a common code and appropriate to the content and channel / channels used, then sent several types of channels taking into account the purpose of communication, depending on the situational context in which these (including the individuals generated by psychological states (relative to the image of the self in interpersonal communication) elements ideological, cultural, social and economic).

3. Conclusion

In the context of globalization, entities must identify at least a competitive advantage to face in a changing environment found. In this sense, the study shows that interpersonal skills are a significant advantage for any entity, regardless of scope, size or efficiency. Of course to the extent that they are known and properly used, relations generated by each entity separately managed and developed according to the objectives and mission of the organization, can make the difference between failure and success of entities. Communication practices being specific to each entity requires independent research and development of communication models are based on the practices identified and generated relations contribute to the creation of success entities.

Also, the undertook study provide the necessary support of other analyzes and surveys to identify and measure the influences of different communication behaviors revealed by interpersonal communication skills on firm performance, and use effective interpersonal communication patterns as a basis for creating models of success corporate governance.

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SOCIAL ENTREPRENEURSHIP IN EU REGION

Iuliu IVĂNESCU,
Camelia M. GHEORGHE,
Gina Gilet SZTRUTEN

Abstract

Social entrepreneurship has recently received greater recognition from the public sector, as well as from scholars. Whereas a dozen years ago the concept of social enterprise was rarely discussed, it is now making amazing breakthroughs on both sides of the Atlantic, especially in EU countries and the United States. In order to promote a competitive social market economy, the Commission has placed the social economy and social innovation at the heart of its concerns. The EU's new social-entrepreneurship initiative will support the creation and development of social enterprises, including making it easier for them to obtain funding. This paper analyses the impact of social-entrepreneurship over the EU business environment and the Europe's 2020 Strategy.

Keywords: *Social entrepreneurship; entrepreneur; European Union*

Background and context

Social entrepreneurship has recently received greater recognition from the public sector, as well as from scholars. Whereas a dozen years ago the concept of social enterprise was rarely discussed, it is now making amazing breakthroughs on both sides of the Atlantic, especially in EU countries and the United States. It is also attracting increasing interest in other regions such as Eastern Asia (especially Japan and South Korea) and Latin America. But, studies reveal that, because of different conceptions of capitalism and of the government's role in different regions of the world, there seems to be a disparity between the American and the European conceptions and type of businesses of social entrepreneurship regarding the individual, the process, the organization and the environment[1].

Building on the social change perspective, institutional theory represents a theoretical lens to move the sustainability and social entrepreneurship research forward addressing societal level change[2]. And, despite a widespread recognition in the mainstream entrepreneurship literature that many legitimate entrepreneurs do not pursue purely profit-driven commercial goals, the small but burgeoning literature on entrepreneurship in the

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[1] S. Bacq and F. Janssen, The multiple faces of social entrepreneurship: A review of definitional issues based on geographical and thematic criteria, Entrepreneurship & Regional Development Vol. 23, Nos. 5–6, June 2011, 373–403

[2] Kenneth Wm. Kury, Sustainability Meets Social Entrepreneurship: A Path to Social Change through Institutional Entrepreneurship, IJBIT/ Volume 4 / Sp Issue 3 / January 2012)

informal economy has assumed entrepreneurs operating wholly or partially on an off-the-books basis are commercial rather than social entrepreneurs [3].

The different approaches to entrepreneurship were summarized in some studies into two main research perspectives: a "*small-business-and-firm-foundation*" perspective and an "*evolutionary-institutional*" perspective on entrepreneurship[4]. Other research findings suggest that *social entrepreneurship can be conceptualized as a multidimensional model involving three dimensions: innovativeness, proactiveness, and risk management and, as a consequence, entrepreneurship can be identified as a behavioral manifestation*. Moreover, the same findings suggest that social entrepreneurial behavior is deeply influenced by the concurrent requirements of the environment, the need to build a sustainable organization and the need to achieve the social mission[5]. Other research outlined three major social entrepreneurial types: *Social Bricoleurs* (*they identify a local concern and bring innovative measures to bear on a recognizable social problem*), *Social Constructionists* (*they have the desire to generate social wealth matched with a hope to bring new equilibrium to broad social systems where serious imbalances exist*) and *Social Engineers* (*they focuses on introducing revolutionary change and deliberately upsetting the equilibrium within their environment*)[6].

Recent studies demonstrated that if social entrepreneurship is to be effective and impactful, business and management education can facilitate the development of young entrepreneurs: agreeableness positively influences all dimensions of social entrepreneurship, whereas openness exerts a positive influence on social vision, innovation and financial returns. Therefore, the element of appreciation of social responsibility, sustainability and character development needs to be integrated within the business education curriculum to support social entrepreneurs in realizing genuine value and impact to the causes and communities they serve. Future business leaders also need to be equipped with entrepreneurship skills, while exuding independent and reflective thinking in the pursuit life-long learning[7].

Social entrepreneurship in EU region

Social entrepreneurship has not a long history of study[8], but is developing rather quickly nowadays because technological and economic progress requires quick response to

[3] Colin C. Williams, and Sara Nadin, Beyond The Commercial Versus Social Entrepreneurship Dichotomy: A Case Study Of Informal Entrepreneurs, Journal of Developmental Entrepreneurship, Vol. 17, No. 3 (2012) 1250018

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[8] Lee A. Swanson & David D. Zhang, Complexity Theory And The Social Entrepreneurship Zone, E:CO Issue Vol. 13 No. 3 2011 pp. 39-56, Edwards School of Business, University of Saskatchewan, CAN

new challenges. As competitiveness in the world rises, enterprises should try to adapt, react, and change their activity, processes. Pressure of society develops new features of entrepreneurship and traditional entrepreneurship is getting such new dimensions as social[9]. Social entrepreneurship, as a practice and a field for scholarly investigation, provides a unique opportunity to challenge, question, and rethink concepts and assumptions from different fields of management and business research. Social entrepreneurship is a process that catalyzes social change and addresses important social needs in a way that is not dominated by direct financial benefits for the entrepreneurs. Social enterprises offer the promise of financially sustainable organizations that can respond to the world's most pressing problems.

With its continued emergence in both academic and practitioner communities, the diversity of organizations categorized as social entrepreneurship continues to expand and researchers found out that variance in the geographic focus of different types of social entrepreneurship influences the types of social networks in which social entrepreneurship is embedded.

Yet for social enterprises to succeed their leaders must effectively manage conflicting demands that arise from dual commitments to improving social welfare and achieving commercial viability[10]. From a more specific point of view, social entrepreneurship, ventured with a self-sustaining business model and a social impact objective, is a trend gaining momentum and garnering attention for the citizen sector[11].

Because it contributes directly to internationally recognize sustainable development goals, social entrepreneurship may also encourage established corporations to take on greater social responsibility[12].

Some social enterprises can earn a profit that is sufficient to get the business funded by investors. But many, if not most, cannot fund themselves entirely through sales or investment. They are not profitable enough to access traditional financial markets, resulting in a financial-social return gap. Many of them survive only through the largesse of government subsidies, charitable foundations, and a handful of high-net-worth individuals who will make donations or accept lower financial returns on their investments in social projects. The lack of funding opportunities is one of the major disadvantages social enterprises face. But, in the same time, they potentially have a larger universe of investors than conventional firms do. If they can structure their funding to treat charitable donations as a form of capital that seeks social, not financial, returns, they can then tap all the conventional sources of capital: venture capital firms, banks, mutual funds, bond funds, and so on. And with access to these sources, all the financial-engineering tools for transferring risk and return become available, allowing social enterprises to free up capital and grow[13].

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[9] Jolita Greblikaite, Development Of Social Entrepreneurship: Challenge For Lithuanian Researchers, ISSN 1822–8402 European Integration Studies. 2012. No 6, http://dx.doi.org/10.5755/j01.eis.0.6.1498

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Future realization of economic and competitivety growth requires human capital investments. Europe's prosperity is based on the prosperity of European enterprises. European Union aims to create a proper environment for initiative, enterprise development, and industrial cooperation and improve the exploitation of the industrial potential of innovation policies, research and technological development.

The possibilities which social enterprises offers in responding to employment problems of EU citizens and social exclusion, by minimizing social disparities facing minorities, represent a huge opportunity that the EU responsible organizations have seized and exploited it. Therefore the attention is focused on strategic actions that are concentrating on the development of social entrepreneurship.

Europe's 2020 Strategy for smart, sustainable and inclusive growth sets a target of 75% of 20- 64 year olds in employment by 2020[14]. If the target is to be met, employment in the EU will have to increase by 17.6 million additional jobs from its current level. However, during the crisis, the employment rate has fallen to 68.9% (3Q2011)[15], with EU unemployment remaining persistently above 9.5% since early 2010 and climbing to 10,2% mark in February 2012. The deceleration of growth since mid-2011, with a less favorable outlook for 2012[16] and widening divergences between Member States and regions, have only increased the challenge in terms of employment, social inclusion and combating poverty.

The fight against poverty and social exclusion is a major element of the Europe 2020 strategy: The EU wants to strengthen growth, employment and competitiveness, while creating a more inclusive society.

Economic growth in general brings with it employment and revenues for the area where it occurs. All regions, whether already successful and therefore seeking to secure and expand on that success or those suffering from above average unemployment and low relative income per inhabitant, are naturally likely to want to attract businesses to them.[17] At the beginning of the last economic crises Luxembourg, the wealthiest Member State in terms of per capita income, was seven times richer than the poorest one, Romania. At the regional level, the difference was even bigger: the richest region is Inner London with 290% of EU-27's average GDP per capita, while the poorest region is Nord-Est in Romania with 23% of the EU average (EC- 2008).

Analyses made in the last period[18] shows that a total of fifteen Member States experienced an increase in the level of disparity in GDP per capita in the post crisis period. In four of these Member States (Ireland, Bulgaria, the United Kingdom and Slovakia), the regional dispersion in income per inhabitant widened by more than 2 percentage points. Post-crisis, Latvia has shown the most prominent convergence in regional GDP per capita with a narrowing of almost 6 percentage points.
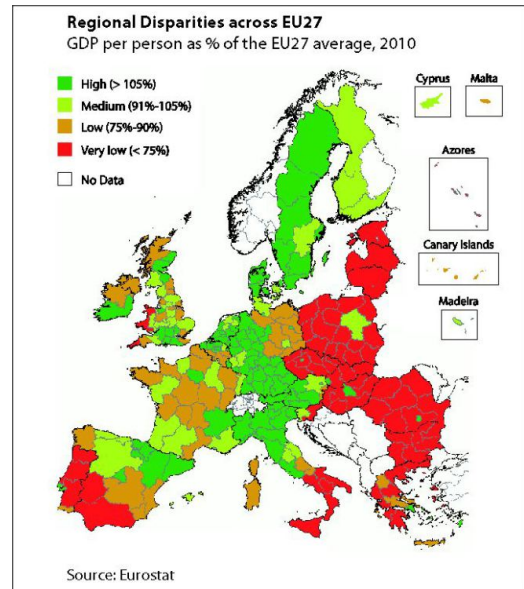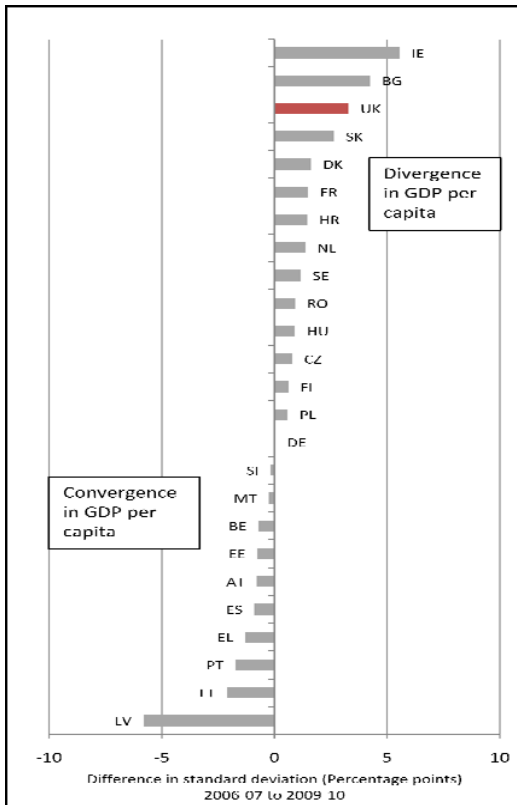
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[14] http://europa.eu/newsroom/highlights/europe2020/index_en.htm

[15] Idem 14

[16] Idem 14

[17] http://www.europarl.europa.eu/RegData/bibliotheque/briefing/2013/130501/LDM_BRI(2013)130501_REV1_EN.pdf

[18]   http://www.londecon.co.uk/wp-content/uploads/2013/05/Regional-disparities-in-GDP-per-capita-in-the-EU-28-05-20131.pdf.

To overpass those challenges The European Union reshaped the budget structure and priorities (and in particular the European Social Fund) for the next years. The European Union worked to define new conditions for a more competitive economy with higher employment.

In order to promote a 'highly competitive social market economy', the Commission has placed the social economy and social innovation at the heart of its concerns, in terms of both territorial cohesion and the search for new solutions to societal problems, in particular the fight against poverty and exclusion, under the Europe 2020 strategy, the flagship initiative 'The Innovation Union', the European Platform against Poverty and Social Exclusion3 and the 'Single Market Act' (SMA)[19].

Nowadays the social economy employs over 11 million people in the EU, accounting for 6% of total employment. It covers bodies with a specific legal status (cooperatives, foundations, associations, mutual societies), many of which are also social enterprises in terms of the characteristics referred to above, as well as social enterprises in the form of an ordinary private or public limited company.

A 2009 study[20] assessed the share of the population involved in social entrepreneurship as 4.1% in Belgium, 7.5 % in Finland, 3.1 % in France, 3.3 % in Italy, 5.4 % in Slovenia and 5.7 % in the United Kingdom. Approximately one in four businesses

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[19] http://socialbusinessearth.org/eu-social-entrepreneurship-conference-nov-18-2011/

[20] http://www.gemconsortium.org/docs/376/gem-report-on-social-entrepreneurship-executive-summary

founded in Europe would therefore be a social enterprise. This figure rises to one in three in Belgium, Finland and France. These companies are often more productive and competitive than one might think. This is due to the very high level of personal commitment on the part of their employees and the better working conditions that they provide. In the EU-27, over 207,000 cooperatives were economically active in 2009. They are well established in every area of economic activity and are particularly prominent in agriculture, financial intermediation, retailing and housing and as workers' cooperatives in the industrial, building and service sectors. These cooperatives provide direct employment to 4.7 million people and have 108 million members.

Conclusion

According to some official reports, the social economy employs over 11 million people in the EU, accounting for 6% of total employment.[21] It covers bodies with a specific legal status (cooperatives, foundations, associations, mutual societies), many of which are also social enterprises. The specific legal statuses of the social economy are particularly suited to social enterprises as their method of governance favors participation and openness.

The EU's new social-entrepreneurship initiative will support the creation and development of social enterprises, including making it easier for them to obtain funding. Developing a "highly competitive social market economy" is one of the EU's primary objectives. This requires new laws and new regulatory frameworks to help these enterprises – which are often very small and active only at local level – to realize their potential to generate growth, create jobs and reap the benefits of the EU's single market.

The social entrepreneurship initiative will offer a short-term action plan to promote the creation and development of social enterprises. *The first obstacle to be undertaken is how to make it easier for social enterprises to obtain funding. The second challenge is to increase the visibility of social entrepreneurship.*

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[21] http://s3platform.jrc.ec.europa.eu/documents/10157/47822/Guide%20to%20Social%20Innovation.pdf

Table 1 Paid employment in cooperatives, mutual societies and associations in the EU (2009-2010)[22]

Country	Cooperatives	Mutual societies	Associations	TOTAL
Austria	61,999	1,416	170,113	233,528
Belgium	13,547	11,974	437,020	462,541
Denmark	70,757	4,072	120,657	195,486
Finland	94,100	8,500	84,600	187,200
France	320,822	128,710	1,869,012	2,318,544
Germany	830,258	86,497	1,541,829	2,458,584
Greece	14,983	1,140	101,000	117,123
Ireland	43,328	650	54,757	98,735
Italy	1,128,381	n.a.	1,099,629	2,228,010
Luxembourg	1,933	n.a.	14,181	16,114
Portugal	51,391	5,500	194,207	251,098
Netherlands	184,053	2,860	669,121	856,054
Spain	646,397	8,700	588,056	1,243,153
Sweden	176,816	15,825	314,568	507,209
United Kingdom	236,000	50,000	1,347,000	1,633,000
New Member States				
Bulgaria	41,300	n.a.	80,000	121,300
Cyprus	5,067	n.a.	n.a.	5,067
Czech Republic	58,178	5,679	96,229	160,086
Estonia	9,850	n.a.	28,000	37,850
Hungary	85,682	6,676	85,852	178,210
Latvia	440	n.a.	n.a.	440
Lithuania	8,971	n.a.	n.a.	8,971
Malta	250	n.a.	1,427	1,677
Poland	400,000	2,800	190,000	592,800
Romania	34,373	18,999	109,982	163,354
Slovakia	26,090	2,158	16,658	44,906
Slovenia	3,428	476	3,190	7,094
Acceding and Candidate Countries				
Croatia	3,565	1,569	3,950	9,084
Iceland	n.a.	221	n.a.	221
TOTAL EU-15	**3,874,765**	**325,844**	**8,605,750**	**12,806,379**
New Member States	**673,629**	**36,788**	**611,338**	**1,321,755**
TOTAL EU-27	**4,548,394**	**362,632**	**9,217,088**	**14,128,134**

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[22] http://www.eesc.europa.eu/resources/docs/qe-31-12-784-en-c.pdf

Table 2 Evolution of paid employment in the social economy in Europe[23]

Country	Social Economy Employment		
	2002/2003	2009/2010	Δ%
Austria	260,145	233,528	-10.23%
Belgium	279,611	462,541	65.42%
Denmark	160,764	195,486	21.60%
Finland	175,397	187,200	6.73%
France	1,985,150	2,318,544	16.79%
Germany	2,031,837	2,458,584	21.00%
Greece	69,834	117,123	67.72%
Ireland	155,306	98,735	-36.43%
Italy	1,336,413	2,228,010	66.72%
Luxembourg	7,248	16,114	122.32%
Portugal	210,950	251,098	19.03%
Netherlands	772,110	856,054	10.87%
Spain	872,214	1,243,153	42.53%
Sweden	205,697	507,209	146.58%
United Kingdom	1,711,276	1,633,000	-4.57%
New Member States			
Bulgaria	n.a.	121,300	n.a.
Cyprus	4,491	5,067	12.83%
Czech Republic	165,221	160,086	-3.11%
Estonia	23,250	37,850	62.80%
Hungary	75,669	178,210	135.51%
Latvia	300	440	46.67%
Lithuania	7,700	8,971	16.51%
Malta	238	1,677	604.62%
Poland	529,179	592,800	12.02%
Romania	n.a.	163,354	n.a.
Slovakia	98,212	44,906	-54.28%
Slovenia	4,671	7,094	51.87%
Acceding And Candidate Countries			
Croatia	n.a.	9,084	n.a.
Iceland	n.a.	221	n.a.
TOTAL EU-15	**10,233,952**	**12,806,379**	**25.14%**
New Member States	**908,931**	**1,321,755**	**45.42%**
TOTAL EU-27	**11,142,883**	**14,128,134**	**26.79%**

[23] http://www.eesc.europa.eu/resources/docs/qe-31-12-784-en-c.pdf

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ROMANIAN PUBLIC ADMINISTRATION-FUTURE PROSPECTS

Asist.univ.dr. Mona Maria IVĂNESCU

Abstract

The emergence of the European Union triggered a distinctive opportunity for the integration and convergence of legal cultures among the EU Member States. However, the constant disparities between Member States does not necessary mean an overall administrative convergence. This paper will analyze the present and future relations between Romanian public administration and the EU administration systems.

Keywords: *Public administration, convergence, European Union*

Today, after an endless economic and social crisis, the public sector has to innovate itself if it wishes to improve its efficiency and to be able to provide solutions for societal challenges. As a generic definition, ***the public sector includes all organizations in the field of the public administration, regardless of their funding source or legal form of the supplier.***[1] But, the concept of Central Public Administration is not precise. It has many different definitions depending mostly by the country profile and the historical, cultural and political context. However, in general, the concept refers to those administrative organisms, bodies and institutions that operate at central and national level and have a hierarchical dependence on political decision-making[2].

During the last few decades, public administration have been subject to a number of 'structural' reforms, implemented in a framework often designated as '*new public management*'.

The current economic, social and financial crisis has meant that several EU countries had to face higher unemployment and poverty levels, with some EU countries having unsustainable public debt. In that context public administrations across Europe have introduced different reforms to try to cut a part of the public expenditure.

The *New Public Management* (NPM) is considered as a global paradigm, emerged as a response to economic, administrative and political changes. The simplest definition of New Public Management is that NPM consist in "the implementation of management ideas from business and private sector into the public services" [3].

The starting point of New Public Management was in 1991, when Christopher Hood' wrote the article "A Public Management for all Seasons". The parts of NPM, according to Hood, are: *applied and entrepreneurial management; specific standards and measures of*

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[1] http://www.eurofound.europa.eu/ewco/studies/tn1303013s/index.htm

[2] Idem1

[3] Haynes, P. (2003) Managing complexity in the public services Open University Press, Maidenhead, UK. ISBN 0335212204

performance; output controls; desegregation and decentralization; competition in the provision of public services; implementation of private-sector styles of management; and discipline and cost- cutting in resource allocation[4].

The NPM, according to the OECD report (OECD, 1998) is characterized by:

- *a focus on results in terms of efficiency, effectiveness, quality of service;*
- *a decentralized management environment;*
- *a greater client focus and provision for client choice;*
- *the flexibility to explore more cost effective alternatives;*
- *accountability for results.*

Romania has issued a consistent public administration reform (PAR) strategy since 2001. The current government reaffirmed the general direction of the reform effort, but placed a higher emphasis on reform of service delivery through a decentralization process. In fact many European countries launched these reform processes well before the economic crisis of 2008; some in the late 90s and early 2000s (as in the case of Belgium, Bulgaria or Sweden) but most since the mid-2000s (such as the Czech Republic, Finland, Germany, Poland, Portugal or the UK).

Our national public administration reform plan started in 2001, as I mentioned, in three major directions:

- *the implementation of the strategy regarding the acceleration of the public administration reform*, in order to create a new legislative framework in providing the services by the public administration;
- *establishing the Governmental Council for Monitoring the Public Administration Reform;*
- *establishing the Central Unit for Public Administration Reform (CUPAR),* in order to ensure the implementation of the decisions of the Governmental Council;

Two new institutions were created: **National Institute of Administration** as a specialized institution for training the civil servants and local elected officials; and **National Agency of Civil Service** to provide the civil service management and to draw up the normative documents regarding civil service.

Since 2009, a public financial management structure was introduced for multi-year budgeting. Fiscal rules were introduced on spending, public debt and primary deficit, and a framework for managing guarantees and other contingent liabilities was approved. Local public finance law was amended to bolster fiscal discipline and limit risks from local governments. [5]

The financial crisis has raised great concerns in most European public authorities about excessive public debt levels, which have prompted many Member States to implement austerity measures to try to reduce public expenditure and budgetary deficits. Examples of these measures included:

• decreasing in employment levels, limiting the hiring of new personnel and the replacement of workers who retire and the substitution of civil servants' positions by public employees and temporary workers;

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[4] Hood, C. (1991). "A Public Management for all Seasons?," Public Administration, vol. 69, no. 1, pp. 3-19
[5] The strategic plan of the Ministry of Administration and Interior during 2007-2013 http://www.mai.gov.ro/Documente/Strategii/Plan%20strategic%20MAI%202010-2013%20-13122010.pdf

• working time related measures, such as extending the date of retirement and limiting early retirement schemes, restrictive changes to leave entitlement or greater flexibility in working time elements;

• freezes and reductions in pay levels, including direct pay freezes as well as cuts in other areas, such as bonuses, changes in sickness leaves or in pensions.[6]

According to data provided by national contributions[7], it can be estimated that, in the EU 27[8] and Norway, there are approximately 9.7 million workers in the public administration sector. France, Italy and the UK have the most significant number of workers (2.4 million; 1.9 million and 1.8 million, respectively), followed by Romania, the Netherlands and Portugal (466,000; 434,000; and 432,000 respectively). It must be noted, that not all countries conforms their data's to uniform European definitions; for example, according to *Eurostat's 2012 Labour Force Survey*[9], employment in public administration (NACE 84) reached almost 15 million in EU 27 + Croatia in 2012.

Table 1: EU countries according to public sector share of total employment

Public sector share on total	countries
Over 29%	Norway, Denmark, Sweden, Belgium, France, Luxembourg, UK, Netherlands.
25%–27%	Finland, Germany, Malta, Ireland.
20%–23%	Lithuania, Hungary, Austria, Estonia, Latvia, Slovakia, Greece, Italy, Spain.
Below 20%	Portugal, Poland, Slovenia, Czech Republic, Cyprus, Bulgaria, Romania.

Source: LFS Eurostat. NACE Rev.2. Sections O, P, Q ; Bordogna and Pedersini, 2012

The negative trend in the public administration employment has been worsened by the economic crisis. The next table will shows us the main actions taken in the European countries in the last years.

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[6] http://www.eurofound.europa.eu/ewco/studies/tn1303013s/index.htm

[7] http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/

[8] Ref 2012

[9]   http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Labour_market_and_labour_force_statistics

Table 2: Cuts and freezes in public administration employment

	Date	Measures	How implemented
BE	2011	Federal coalition agreement to reduce total central public employment by 4,000 full time equivalents in the next two years	Several staff cost-saving measures, including that of replacing only one in three public workers who leave
DK	recovery plan May 2010	Initiatives to save costs in the CPA , including downsizing in several ministries, boards and agencies	Temporary employment freeze in several ministries, with 956 employees dismissed in 2012
DE	2009-2012	Introduction of the constitutional debt brake ('Schuldenbremse') in 2009 (Bundesfinanzministerium, 2012)	Planned job cuts for 2010, 2011 and 2012 by 1.0%, 1.5% and 1.5% per year, respectively.
FR	2009-2012	Steady decline in the number of people working in national public administration	Reduction from 2,484,000 people in 2009 to 2,392,000 people in 2011.
IT	2007-2011	The number of workers has declined by over 150,000 (-7%) from 2007 to 2011. The decline since 2009 is about by 2% per year due to existing restrictions.	Only one worker can be hired for every five resigning or retiring
RO	From 2009	Job cuts	From 490,000 people in 2009 to 466,000 people two years later (Insse, 2012).
ES	2011- 2012	Reduction 2% of salaried personnel working in public administration	Freezing in the public offer of working posts for the Central Administration
UK	2008- 2012	Public administration employment has shrunk by 330,000 posts	Increasing reliance on models of service delivery by private sector employees (outsourcing) and employed on fixed term contracts

Source: EIRO correspondents 2013

Another aspect to be mentioned about the public administration sector is the decentralization process. Since the early 1990s the decentralization of the competencies of the central public administration authorities has been an important policy initiative in the process of transition to a market economy and a democratic society, becoming a major priority for the reform of public administration. The success of this process is still under evaluation. In terms of measures taken, the image shows us a country with significant measures implemented in order to speed the decentralization of the public administration.

But when we evaluate the interactions between the new system's components we can clearly see some ideas from the previous highly centralized system still used in some areas of the public administration procedures.

Over the past few years, Romania has been facing a great task as it has to enhance its public management and public administration for achieving the European standards and values in terms of transparency, adaptability and efficiency. Complicated procedures, long and sinuous circuits of documents, delayed deadlines to solution an action are certainly a factor of decreasing productivity. Fortunately bureaucracy and resulting complications are remediable deficiencies when the manner to approach administrative actions changes. But we, as a European country, still have a lot of obstacles to overpass till we will say clearly that the Romanian's public administration is 100% efficient and competitive. The best example of bad practices in the public institutions can be seen today in the ANAF's agencies, where the system, the bureaucracy and the overall experience is like copied from a Hitchcock horror film.

The problem is, from my point of view, the lack of leadership of the Romanian public sector. In fact, we can say today that Romania is now confronting with the greatest lack of public leadership ever seen in the modern history of our country.

The success of public administration reform is now, and it will be conditioned by organizational issues, from strategic planning capacity to leadership's capacity to promote and coordinate the organizational development. Unfortunately, very often, both in Romania and other Eastern European countries, the administrative reform has been understood only in terms adopting new laws and regulations; the only tool of administrative change was located on the legislation level. This led to the emergence of new structures, incapable though to implement the change and achieve an acceptable level of effectiveness and efficiency.[10]

In terms of organizational development, as part of the management reform in the public administration, Romania must succeed in:

a) improving the transformation process of the organizational structures to strategic goals and objectives, where our country is not in the upper part of the hierarchy.

b) encouraging, motivating and training the workers from the public sector.

c) implement a transparent correspondence between the performance and the rewards in the public administration sector.

Romania must quickly understand that the values of the public service lie in the human resources and furthermore the future investments that are to be made in the human resources are actually money well spent for insuring an efficient and European compatible public system.

Especially in times of financial crises and severe cost cuts in public administrations, like occurred a few years ago in Romania, the national focus must take into consideration the efficiency, competitivety and transparency of the public service delivery. The idea of quality applied in public administration seems utopian in the national framework.

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[10]   http://www.nispa.org/files/conferences/2013/papers/201304102225590.NICA%20Aser%20(NISPA%202013)%20The%20role%20of%20leadership%20in%20public%20sector%20from%20Romania%20and%20Great%20Britain.Comparative%20Study.doc?fs_papersPage=4.

But we as a nation, if we really want for the Romanian people to be finally integrated into the European family, and not just be considered as a part of the Europe, then we must implement a real culture of quality in public administration, in order to ensure good quality services and a competitive public system.

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THOUGHT MARKETS FOR BETTER FUTURES

"Futures belong to those idiots who create and believe in them"

Hans Zwaga, MsC Law and PhD candidate

Abstract:

The article addresses the claim that information and knowledge in rapid changing societies will need different exchange platforms or agoras. Technological and social innovations will change the information and knowledge platforms into "markets of thoughts". Grounded in Castells' "space of flows" a philosophical blueprint is developed. For Hospitality and tourism in particular and Entrepreneurship and Innovation Education at large this article includes and develops specific elements of the Finnish approach to education. Thoughts, markets and futures are interlinked through "spaces of flows or agoras", their "merchants" and the orientation on the future. Evidence for this approach is collected from 6 case studies from France, the Netherlands, Finland and Romania.

Rector, Mister Chairman, and all participants to this opening session, I am honored to speak to you about Thought markets for Better Futures.

To start I apologize for a word in the subtitle quote. The word "idiot" used here doesn't reflect psychiatric, psychological or even etymological meanings. On the contrary!! I have always used this word to express the capacity and capability to look, see and observe beyond the obvious and visible. To this article I use "idiot" for a person, whose visionary competencies are far beyond the common understanding. The word means more a signal, a compliment and a respect.

The Conference title gave me the opportunity to write and talk about the development of a framework that allows the use of innovation for designing futures. Futures design activities and actions require leadership in order to steer or navigate towards these futures. Innovations in technology especially in information and communication necessitate other, more innovative ways of organizing and implementing the social consequences. These changes and already visible outcomes and consequences lead us away from order and control societies towards fluid and chaotic habitats.

Such processes of change are ignited by socio-technological drivers and have very dramatic effects. As a result change is mostly countered and accompanied by the defense of the values of the past, economic resistance and political unwillingness. These contradictory and controversial aspects of innovation demand a new type of leadership. A new leadership is needed that enables the "de-freezing" of contrast, contradiction and conflict and allows the innovative to substitute the past. A leadership that is prepared to construct a continuum of complementary aspects and to seek co-existence in stead of conflict. A new leadership is needed to navigate the change towards the goals that were set out. And finally, we are in need of a new leadership to allow the change to "re-freeze" and

become the normal or common way. The new leadership will face a difficult task to balance the inclination of conservation and the drive to renewal.

At the end of the 19th century Louis Pasteur said: "Chance favors only the prepared mind" I think the new leadership needs to be prepared to envision the scout opportunities and grab the chance to introduce change long before it materializes in time, place or space. Scouting or finding opportunities means a continuous process of scanning. Scanning means looking beyond the obvious and the visible. During the scanning process opportunities are detected or created. The debate of "nature or nurture" in this field is hardly solved. However, both processes include preparedness, willingness, open-mindness and rejection of judgment beforehand. My experience tells me that most people in challenging situations pull "the hand-brake" even before clarity of the situation is gained.

Taken the chance to exploitation will require change of the existing systems. The dissemination and implementation must be- see above- prepared well beforehand to enable prepared minds for acceptance. And the final step that gives the chance and change the roots to grow will be the creation of an accepted and supported "new agora culture"

Castells (1996) published his work on the Network Society in which he explains how information and technology will change the world and its socio-economic structures. A particular issue was the concept of "space of flows". He argues that global information networks will organize and co-ordinate the world economy in real-time and long distance. One could add that this will happen in the virtual world as much as the physical world. His views of the New Economy, Network Society and the Information Age reflect a "New Agora Culture"

In this perspective I would bring forward the idea of "Thoughts" as creative flows of the mind when working with information. Thoughts are not only the neurophysiologic processes of the human brain or between humans but also the activities and actions that taken place in and between computer systems and during the human-computer interactions. All these interactions can take place irrespective of time and place. The flows of "thoughts" connect the places and spaces where information is available, distracted, disseminated and used. Actually: I foresee that the flows of thoughts in the end will become a "New Agora" with a commonly accepted culture for value creation.

The New Agora of Thoughts –the new fluid and chaotic spaces- is full of promises for the users and providers awaiting fulfillment. Awaiting fulfillment points a finger at "the perspective of time" in the first place. Fulfillment includes always a future orientation which starts with an expectation of some kind. And there might come up a serious problem. Based on what information are expectations created or is there enough information to make realistic or rational decisions? Another issue could be the threat of informational overload and the process of sense-making and meaning. Already in the 70s Alvin Toffler spoke about infobesity and Nielsen (2003) speaks about info pollution. Nielsen tells his readers: "A steady dose of real-time interruptions is toxic to anyone's health"**. In his book Infoglut, Mark Andrejevic (2013)** takes this problem a step further and explores the connections between these wide-ranging sense-making strategies for an era of information overload and "big data," and the new forms of control they enable

I foresee that new jobs and functions will arise. New merchants will arise in the Agoras of Thoughts. New merchants like the information broker, the competency broker, the virtual manager, the business integrator, the sentiment analyst, the neuro-marketer and the challenge manager are already in front of the gates (Warner and Witzel, 2004, Marshall et al. 2001))

The new jobbers will have the challenge to guide the experiences of the users and providers towards the reasoned expectations. The trade-offs between expectation and experience will provide a new area of socio-economic value extractions. Especially in the field of value-in-use extractions will be far more beneficial than value-in-exchange extractions (Kim and Mauborgne, 2005).

The value-creation activities cycle –promise, expectation, experience and extraction- becomes more and more intertwined. That means that more people are involved in the value creation process. In marketing we already speak of the many2many approaches in value networks. These approaches indicate that the buying processes aren't individual anymore but based in groups or communities. The dynamics of groups or communities are leading the understanding for new marketing approaches such as service dominant logic or for strategy approaches such as interactive strategy formulation of networks (Normann and Ramirez, 1998) or even galaxies (the competitive forces between networks). The involvement of multiple stakeholders, the developments of technology and the necessity of social innovations require the input of digital systems that allow the interactions between these stakeholders. As consequence, stakeholder will become –in many case stakeholders already are- co creators of the products or services. A good example can be found in www.mass-customization.de. The customer as co-designer of experiences will influence the value creation cycle dramatically and will have serious impacts on for instance Hospitality and Tourism. Mass customization and personalization of offerings in tourism are knocking on the door. An interesting challenge I would say.

I refrain from an interpretation of the concept of "better futures". The problem is that it is not clear what is meant by "better". Furthermore: the use of the plural futures indicates that more than one future can be foreseen. Indeed, this interpretation is correct. Mostly, when we speak of future, we mean a stage in time that we want to see. It's the preferred future. And in this interpretation it is not difficult to know what is meant by better. Better economic, social, relational, environmental aspects will be envisioned. Maybe, better political environments are included as well.

However, when we talk about what is possible in the future, and then we get quickly lost in speculations, guesses and "wet finger indications". When we discuss the possibility of a future we get more and more confused. The likelihood of a future closes the mind's door very rapidly. Yet and undeniable, all these 4 futures exist –at least in theory. My experiences with students in several European countries and with colleagues from Romania-American University of Bucharest are clear evidence of the possibility to do very constructive thinking, working and doing in learning and teaching the futures described.

Futures can be developed as normative systems despite different opinions on preference, possibility, probability and plausibility. Those learning and teaching activities and actions are meant to forward and enable public discussions in the Agora of Thoughts - be it local, regional, national or even higher levels. They are not meant "to speak to the

truth", rather they are meant for a preparations for the things to came. Actually, we know a lot about the futures. When we take in consideration our decisions that we have made recently –as an example- we know also that these decisions materialize in the future (Sardar, 1993) and therefore "colonize the future" And in doing so, we draw now on the norms and values that we want to see then.

The futures study technique of back casting and recently around casting present new ways of exploring opportunities –scouting and scanning- and different ways of exploitation. As described above value networks are being transformed into galaxies (Castells, 2001, Arsenault and Castells, 2008) Along with these techniques: see: www.hsctoolkit.bis.gov.uk come different teaching and learning methods. Experiences have gained in the field of design-thinking and design-based research (Liedtka and Ogilvie, 2013), competency-based curricula planning for the education of tomorrow (Zwaga and Zwaga, 2010, 2013), self-directed and self managed learning, collaborative learning integrated in computer-mediated environments (Dillenbourg, 2000; Christensen, 2010) Education therefore need to find new organizational formats that allow for trans-disciplinary learning, the stimulation and the existence of shared and distributed cognitions. Educational institutions must learn to adapt to these changing demands and build new bridges between the isolated areas of faculties, universities and other learning environments.

The focus of the educational approaches in Hospitality and Tourism in particular and Entrepreneurship and Innovation Education at large should be on the implementation of these futuristic developments. These novel ways must be implemented to pursue building the bridge between the overload of Grey Diamonds with PhD with a job and work and the needed supply of Green Diamonds with a PhD without work and a job.

Attitudes, skills and knowledge could be formed in totally different approaches within "Agoras of Thoughts" departing from Castells' ideas. Academia is one important stakeholder in these agoras. However, without the cooperation of business, government, non government organizations and the media such agoras are more wishful thinking than reality (Carayannis and Campbell, 2011). The Quadruple Helix approach embedded in the "Agora of Thoughts" would permit the implementation of innovations –technological and social- for regional development policies and their design. Moreover, the embeddedness of regional development in "Agoras" opens the opportunity to exit the classic division between the population and its Government. It will open the door to Governance.

I finalize my key note by wishing the participants "a hell of a fight" with their thoughts. No, actually I wish the participants fruitful dialogues and a deep and intensive learning. And that you can go home with an "overload" of ideas.

Is this wishful thinking..........or are they thoughtful wishes? You decide!

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A ROMANIAN PERSPECTIVE OF INTERNATIONAL BUSINESS NEGOTIATION

Valeriu POTECEA

Proper preparation of international business negotiation is an important factor for having success in a foreign market and in establishing long-term relationships. When negotiate in a foreign environment, international negotiator must be aware of the cultural context and has to be prepared to develop a cultural profile for each country or region with which he or she does business. Romania offers a lot of opportunities for international investors due to its economic potential, geographic location and many more. The purpose of this article is to emphasize some of the Romanian values and behaviors associated with international negotiation and to describe how Romanians usually negotiate.

Keywords: negotiation, cultural context, international business

International businessmen are always looking for best opportunities and markets in order to increase their gains or to assure the sustainability of their businesses. There is no doubt that a country like Romania has a lot to offer and cannot be eluding as investment destination.

Romania is the eighth largest country of the European Union by area, and has the seventh largest population of the European Union with more than 20 million people. Bucharest, the capital and largest city in Romania, is the sixth largest city in the EU. GDP growth in real terms exceeded 7% in 2008 because of a high production in agriculture, one of the highest rates in Europe. Because of the financial crisis the country fell into a recession in 2009 and 2010, where the GDP contracted −7.1% and −1.3% respectively. However, the GDP grew again by 2.2% in 2011 and 0.7% in 2012 and it is estimated to continue to grow by 1.6% in 2013 and 2.2% in 2014.

Both in business and social relationships, knowing something about the other person's expectations and habits, represents a way to facilitate the path to successful communication. It is very important to realize that it is likely that other people's aspirations to conform to the culture to which it belongs and which, in turn, may be different from ours.

We may say that one of the basic qualities of a negotiator is the ability to adapt the behavior according to the behavior of his or her negotiating partner when is needed to do so. To acquire this *virtue*, a negotiator should be aware of some key concepts, or as the Americans would say in their pragmatism, to follow a set of simple principles, available also for negotiations with Romanians.

Principle 1: Only negotiate when you are ready for getting through all negotiation stages. International negotiators should start the negotiation processes when they feel prepared to do it, have time and emotions under control. Once identified the

necessity of negotiation, the international negotiator should be prepared for the encounter with the Romanian negotiator/s. Characteristics and psychology of Romanian negotiators are not radically different from other business partners from other countries, Romania being a quite homogenous country from the cultural point of view.

Having experienced a long period of autocratic regime, Romanians like to declare their deep desire for freedom and repulse any allegiance toward one's orders or the whim of others. One can notice vivacity, cleverness spirit, and distinguished and fine intelligence, sometimes hidden under a modest or shy appearance what does not let to suspect what lies beneath it. They show modesty and wisdom that seeks to remove hazards by preventing them, cautiousness over the edge, patience, tolerance, and a peaceful attitude to the extreme edge. In the same time, one can notice the easiness to speak foreign languages, especially English, French, German and Russian. Romanians are jovial, friendly hosts, and easily reveal information about their private lives and educational training.

Most are extroverts and love to show off professional achievements and social or professional status. Rules of protocol and etiquette are known only by those who do business at a high level, possibly with foreign partners. The outfit, compared to other nations, is generally neat and correct. But, because of the desire to show off or lack of information, one may find inappropriate or kitsch dressed businessmen.

On the other hand, some Romanians are capable of every virtue if it is not required for persistent too long. They do not foresee the consequences; carry out activities dominated by consideration of the moment, neglecting the possible consequences of actions and the foreseeable future. Occasionally, there is inequality in appreciation, inconsistency, lack of unity and method, lack of proportion and order, no plan and a logic based on a sound rationale. Conclusions often relies on baseless arguments and start from false premises.

They have a sarcastic wit and talent for satirizing with a lot of humor when they want to punish bad habits. But, sometimes, easiness of understanding things, combined with some oriental habits, led to criticism without making efforts to correct things criticized, which is transformed in tenaciously defending of principles (that are absolute), neglecting their correlation with practical activity (that is relative) that must be full of concessions and compromises. In this comparative imperfection, they think everything is wonderful and perfect in other countries, while everything is bad, inadequate and objectionable in Romania.

In any action undertaken (when selling, buying, hiccup, drink, sneeze and even for *good morning*), Romanians wish themselves *luck (noroc)*. Philosophy is contained in the popular proverb: "*the head down the sword does not cut it*". Other features are credulity, defensive resistance, resignation submitted, and lack of offensive power, which also translates into a lack of projects, "naughty" by their audacity. Sometimes there is a lack of confidence in own efforts. One used with disciplined, uninterrupted and methodical work, can easily notice that Romanians start many times things that do not (intend to) complete. For some it is true the proverb: "*for a Romanian it's difficult to start something, but it's easy to quit on it*".

Romanian businessmen do not always focus on the preparation of the negotiation. Process is more superficial, this is especially true for small entrepreneurs who go into

negotiation with a psychological disability, tilting to believe that the other has greater bargaining power and cannot realize their full potential. Many small Romanian entrepreneurs do not often know basic rules of contracting and contract development and much do not have knowledge of management and marketing.

In Romanian domestic business environment, Romanians usually want to do business only with those they know and like and feel comfortable with. The same behavior is applied to the international environment. Therefore, an international negotiator should not be surprised by the number of personal questions, before the launching into profound debates. The Romanian partner only wants to establish a personal rapport and to get the feeling of trust.

Introduced or not by a local intermediary, the international negotiator is expected to not be in late for the first meeting. Generally, the best times to plan appointments are between 9:00 a.m. and 18:00 p.m. The initial part of the first meeting is rather formal, but, because Romanians appreciate people who are open, can get more relaxed by time. Introductions are followed by handshakes, and sometimes, if the guest is a woman, she may expect that Romanian host to kiss her hand, if the host is a man.

Romanian names are traditionally used in the order of first name, middle name and family name. If a person has an academic or professional title, it can be used, followed by the family name.

More and more Romanians have business cards, and Romanian businessmen almost always use its. Because the exchange of business cards is a necessary practice when meeting someone for the first time, this step is often met in Romania, too. The international partner should be prepared to offer business cards (the more professional or academic titles on the card, the better), but may not always get one in return. In the same time, should not forget that the purpose of the first meeting is not getting to an agreement, but the establishing of a relationship.

Older and reputable businessmen tend to disregard and not take seriously encounters with much younger people, at least not at the first meeting. Romanians tend to keep the appearances and often want to negotiate with persons in similar positions; the social status is still important for them.

When negotiations start, in the *nontask sounding stage* (where there are no forbidden topics for Romanians), the soft subjects and the exploratory talk are rapidly exhausted, in many cases Romanians being focused on financial issues.

The international negotiator should begin on a positive note and focus on the issue or the problem, not on winning. In this *task-related exchange of information stage*, the Romanian partner would prefer to let the other to state the negotiation position and to initiate the information flow. The external partner should be aware that Romanians are influenced by precedents or similar situations, so specific examples have to be given, together with facts and logical arguments. Romanians go heavily on comparisons between their own produce and competition, but sometimes this is an unconvincing approach, even annoying for the foreign partner.

The foreign partner should demonstrate listening and clarifying skills, especially when discussion is held in English. Because Romanians look for win-win solutions, their counterparties should refrain from putting them on the defense or from engaging in

destructive arguments which may damage the perspective of long-term relationships, so valued by Romanians. If the foreign partner demonstrates the understanding of the local partner' needs, this will be highly appreciated.

Although Romania used to be a collectivist society, it often happens that the negotiating team to show a weakness in communication and working as a group, young people tending towards individualism.

During business discussions, Romanians can prove to be hard and tenacious negotiators, and it may be difficult to obtain concessions from them. The *persuasion stage* (when the tough bargaining starts), can be longer. Though concessions never come easily, prices may move by about 15 to 20 percent between initial offers and final agreement, although there are cases when the price is decreased easily. The international partner should leave itself sufficient room for concessions at different stages. In some cases, when entering into a business, they conceal interest in what they want to buy and only tangentially ask what really interest them, inquiring instead of other issues. Matters regarding contract clauses will be rather discussed one by one than globally, but the time frame of discussions will not be always respected.

If the parties reach the *agree stage*, and a final decision to close the deal was made, they have to sign the contract, which is, in most cases, lengthy. Romanians are cautious in making decisions, do not want to take risks and want to avoid the uncertainty, trying to include in contracts all details and conditions covering any eventualities; for this reason small businesses hesitate to negotiate major contracts involving large sums and strict contracts. In many cases, contracts are signed and stamped on each page.

Follow-up communications are an important part of business negotiations with partners and clients from most foreign countries. Establishing relationships with Romanians can be easier than maintaining. Here the international negotiator can score in front of Romanian counterpart, by keeping the relationship "warm" through e-mails, letters or phone calls.

Principle 2: Let's learn each other's culture. In any international business, it is crucial for the international negotiator to learn about the culture of the other party. The information that can be gathered depends on many factors, including the nature and importance of the transaction, negotiators experience, time available, the similarities and differences between the cultures of parties. Of course, a person who can speak the language and knows the culture of the partner can use these as an advantage, but who knows these things will likely hire a mediator in the country. But in the case of a simple sale negotiation, which is made only once, lower level of knowledge is required than a long-term partnership. In an ideal situation, the process requires several months or even years of study, the mastering of the foreign language, and long stay in that country. International transactions increasingly take the form of long-term partnerships; therefore is very important to study the culture even after the contract was signed. In fact, we can even speak of a *"continuous negotiation"*. For example, a foreigner who must negotiate with Romanians in Bucharest over three weeks cannot obviously to learn Romanian at this time. But he or she must be aware that in the process of preparation, the Romanian negotiators, representing big companies involved in international business, usually choose carefully the strategies and tactics that will be used during the negotiation, being influenced by the culture and personality of the international negotiator.

Generally speaking, religion does not influence the business dealings and mentality of Romanian businessmen, even most of Romanian declares to embrace a religion (87% are Orthodox Christian). Honor and personal pride are critical in Romanian culture. Even Romanians are, almost always, receptive to criticism (as long as it is constructive); a foreign partner should never insult the honor or personal pride of the Romanians and their families, their history, their symbols, or their friends. If the partner wants to offer a gift, it is good to know that Romanians like prestigious brand names. The gift should be at the same time small and not too expensive. Gifts of alcohol or crafts from partner's own country are often good choices, together with items having company logo or design.

Principle 3: the international negotiator should avoid stereotypes. One can imagine that not all Romanians employ a polychromic work style. And not all final decisions of Romanian negotiators are slow and protracted. The negotiator who enters in contact with a foreign culture, like Romanian one, should not allow stereotypes to determine relationships. Foreigners may feel offended if they see that they are treated as individuals, but as cultural robots. In addition to offensives, stereotypes may induce in error. Often the other party does not behave as written in textbooks. This is because there are other forces that influence behavior: personality, the organization represented by the partner, the cultural context.

Romania's image is still often exclusively linked to poverty and corruption. These prejudices can have a major influence on business decisions made by foreign investors. In a recent article published by a well-known German newspaper, *Die Welt*, Mr. Jürgen Schmidt from Marquardt Company, who took over the company's manufacturing plant in Sibiu in 2008, said, after more than five years spent in Romania, that he does not want to leave: *"I do not ask the German headquarter how long I have to stay, but how long can I stay"*, adding that he appreciates especially the life of the city and the openness of the people, who have something form Italy rather than Eastern Europe.

Principle 4: always try to find ways to eliminate cultural differences. In general, the cultural differences are seen as obstacles or weapons. Generally, it is assumed that cultural differences never appear as something positive. In the same time, many negotiators believe that cultural differences prevent agreement. Therefore they seek ways to eliminate these differences. But a different culture can be more than an obstacle; can be a weapon by which one party wants to impose. For example, the expression *"as we do in our country"* can be seen by others as a weapon. In this situation, some may become intimidated, defensive and can build a fortress of defense. For instance, in Romania, where the bargaining stage of a negotiation can be extensive, and where there are almost always differences between initial offers and final agreement, yet reasonable comparing with other countries, a well prepared international negotiator will understand the situation rather than reacting negative.

In conclusion, an international negotiator should expect to find in Romanians partners interesting characters, rather formal in many aspects (preoccupied by the attire, by the existence of a clear agenda of discussion, by protocol actions etc.), guided by their feelings, quite indirect and seeking long-term relationships.

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INNOVATIVE WAYS OF FINANCING SOCIAL ENTREPRENEURSHIP

Mihai Sebea, PhD
Romanian-American University
sebea.mihai@profesor.rau.ro

Abstract:

Social entrepreneurship is not new, but it is getting momentum. Social innovation that could be delivered by social enterprises should be seen as a way to improve the welfare of communities and to foster sustainable growth. This is becoming more important with the financial and economic crisis dramatically affecting our world. Even if it is not new, the concept of social entrepreneurship is still searching for the proper definition and boundaries. Going deeper, if we look at the issue of financing opportunities for social enterprises we realise that there is a lack of literature regarding it. Some of the financing routes that are traditionally available to businesses are also available for social entrepreneurs, with extra challenges for the latest. What is interesting is that there are some advantages for social entrepreneurs, as they could use new ways of financing that might not be available for other businesses. This paper is addressing few innovative ways to finance social enterprises, taking account of new trends and developments that can shape social entrepreneurship.

Keywords: social enterprise, social entrepreneurship, financing entrepreneurship, social innovation

Introduction

It is widely accepted that entrepreneurship represents a core factor for economic development. What are social entrepreneurs bringing more, is that their initiatives are focused on creating social values, addressing the issue of profit as a secondary goal. It is interesting to acknowledge that running business can overlap with a passionate way to address a social problem.

Social entrepreneurship is increasingly challenging the traditional way of doing business, and social enterprises are developing around the world, even if in statistical term they are still a niche form of business (European Commission/OECD, 2103)

According to the European Commission, social-economy (social enterprises, mutuals, co-operatives and associations) represent 2 million undertakings (10% of all European businesses) and employ over 11 million paid employees (the equivalent of 6% of the EU's working population).[1] Social enterprises are active in a wide spectrum of fields including education, housing, culture and the arts, tourism, banking, insurance, agriculture, craft, various commercial services, and health and social services, etc.

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[1] http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/social-economy

It is thought that social initiatives can fill the gap between social needs and public capacity to solve them. Even though they cannot solve all the problems, it is clear that they represent an important tool that can increase in importance. Thus, the issue of ways to financing social enterprises is a crucial one.

The paper has a special focus on EU' developments.

Conceptual framework

The concepts of social entrepreneurship and social enterprise are getting increased popularity. American (and not only) universities are teaching courses about the subject, journalist and philanthropist are frequently referring to them. But how can we define the concepts? It seems there is no universally accepted definition and sometimes confusion, misunderstanding or uncertainty occurs.

This is why the starting point for this analyze regards the way(s) of defining social entrepreneurship and social enterprise. One of the main issues is that when speaking about what is a social initiative there are some practical implications: who benefits from state aid? Who can use special services support? What kind of entities can benefit from dedicated ways of financing? Definitions that are becoming official (and even regulatory) are very relevant from this point of view.

David Bornstein, one of the leading authors in the field, sees the social entrepreneur like "*a person who has both a powerful idea to cause a positive social change and the creativity, skills, determination and drive to transform that idea into reality. Social entrepreneurs combine the savvy, opportunism, optimism and resourcefulness of business entrepreneurs, but they devote themselves to pursuing social change or "social profit," rather than financial profit. Behind all innovative business, there are entrepreneurs – Individuals who possess the foresight, belief and boldness to build something new. The same holds for social change. Behind almost all important social innovations are social entrepreneurs – people with new ideas for solving problems, who build new kinds of organizations to implement those ideas, who will not take 'no' for an answer, and who will not give up until they have spread their ideas as far as they possibly can*". (Bornstein, 2004)

Ashoka defines social entrepreneurs like: "*individuals with innovative solutions to society's most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change. Rather than leaving societal needs to the government or business sectors, social entrepreneurs find what is not working and solve the problem by changing the system, spreading the solution, and persuading entire societies to move in different directions (...) They are visionaries, but also realists, and are ultimately concerned with the practical implementation of their vision above all else*" (www.ashoka.org)

More recently, Abu-Saifan offers the following definition: "*the social entrepreneur is a mission driven individual who uses a set of entrepreneurial behaviours to deliver a social value to the less privileged, all through an entrepreneurially oriented entity that is financially independent, self-sufficient, or sustainable*" (Abu-Saifan, 2012)

As regarding the social enterprise concept, we present "official" definitions:

<u>**OECD**</u> defines a social enterprise as "*any private activity conducted in the public interest, organised with an entrepreneurial strategy, but whose main purpose is not the maximisation of profit but*

the attainment of certain economic and social goals, and which has the capacity for bringing innovative solutions to the problems of social exclusion and unemployment"

The ***European Commission*** defines the social enterprise like:

*An undertaking, **regardless of its legal form**, which:*
► *has as its primary objective the achievement of measurable, positive social impacts rather than generating profit for its owners, members and shareholders*
► *uses its profits first and foremost to achieve its primary objective*
► *is managed in an entrepreneurial, accountable and transparent way, in particular by involving workers, customers and/or stakeholders affected by its business activities.*

According to a recent G8 forum release (G8 Social Impact Investment Forum – 6 June 2013), "*social enterprises are businesses that tackle social or environmental problems and work in communities to improve people's lives. Social enterprises can include charitable non-profits or businesses that make money. The majority of social enterprises reinvest their profits in the communities they work in*".

The national body for social enterprises in UK – ***Social Enterprise UK*** applies the following definition: "*a social enterprise is a business that trades for a social and/or environmental purpose. It will have a clear sense of its 'social mission': which means it will know what difference it is trying to make, who it aims to help, and how it plans to do it. It will bring in most or all of its income through selling goods or services. And it will also have clear rules about what it does with its profits, reinvesting these to further the 'social mission'*".

Social enterprises come in many shapes and sizes from large national and international businesses to small community based enterprises, But they all:
► Are businesses that aim to generate their income by selling goods and services, rather than through grants and donations
► Are set up to specifically make a difference
► Reinvest the profits they make in their social mission

According to ***Social Enterprise UK***, social enterprises should:
► Have a clear social and/or environmental mission set out in their governing documents
► Generate the majority of their income through trade
► Reinvest the majority of their profits
► Be autonomous of state
► Be majority controlled in the interests of the social mission
► Be accountable and transparent

Developments towards new ways of financing social initiative

Innovation in financing the social sector is based on new developments that are redefining the access to finance for social entrepreneurs.

Impact investing concept. Considered to be a term coined by a group of investors convened by the Rockefeller Foundation in 2007, it refers to a broad array of profit

seeking investment strategies that generates social and environmental good as well as strong financial return. (Cleveland, 2013). Thus, the concept is overlapping with the purpose of a social enterprise. It is agreed by the Rockefeller Foundation itself that this new way to solve social problems is able to providing more money than all the philanthropies and governments have at their disposal to make a significant impact on improving the lives of all the poor and vulnerable people in the world. However, it is important to note that impact investors vary widely in character – from individuals to institutions across sectors.

Social media. First of all, social media represents a mandatory tool to be used by social enterprises to create the desired impact for their whole project. Most important, the rise of connectivity is offering entrepreneurs powerful tools to reach different types of investors. LinkedIn for instance is a professional network of over 225 million people, its technology allowing members to find partners that fit to their proposal. Besides well-known social media networks, there are some that are designed for professionals in financial industry.

Social media allows entrepreneurs to get in contact with their supporters and raise funds. There are more and more fundraising opportunities and networks of microdonations that are changing the capital market for social enterprises. Social media paved the way to the new trend of "*crowdfunding*".

Crisis as an opportunity? – The financial and economic crisis that occurred in 2007-2008, dramatically changed the world and the financial markets. Big corporations were hit by it, some of them being saved by the governments. Even if the social enterprises are not immune, their implied strategies that are focused on social values, sustainability and long run view is opposite to one of the crisis cause: greed for profit. It is stated by the European Commission President that "*the financial and economic crisis makes creativity and innovation in general, and social innovation in particular even more important to foster sustainable growth, secure jobs and boost competitiveness*" (European Commission, 2012)

Moreover, **budgetary constraints**, especially in Europe, as well as the question of EU social model could bring a reorientation on the way the public money are spent. Social innovation can bring public budget savings by offering new and more efficient ways of solving social problems. This is reflected under the new EU's programmes 2014-2012 that put an emphasis on innovation and social economy as well.

Regarding the financial sector point of view, as financial institutions lost public confidence, there could be a shift to a new business model that includes social purposes besides profit. On a deeper view, social banks could get momentum.

Partnerships. It is known that one of the core concept of social enterprises are that they put the social interest before profit. Working for o social purpose means that you address a problem that could be under the "radar" of other stakeholders as well, creating at least one reason for partnerships.

Corporations, nonprofits and governmental entities seem to collaborate to a degree never seen before, moving to what tends to become the new norm of business. Within a

cross-sector partnership, corporations are bringing resources, nonprofits are offering credibility and a very good image in the eyes of the public, and the authorities could offer logistic support, but most important contributions is related to the regulatory power. (see Cleveland, 2013)

New corporate view about CSR? One issue that maybe needs a further analyse, is related to multinational corporations' attitude, as they could be more aware of their social involvement. Some of the questions are: are they more willing to address this issue based on their own activity, or they are looking to finance social initiatives, and to be part of them? Could there be more incentives to corporations to invest in/finance social enterprises?

The issue of access to finance

As it is known conventional business financing range from using own funds to external financing. The latter splits in: grants, private equity (venture capital & business angels), bank loans, IPO and not last, crowdfunding/crowdfinancing as an innovative tool.

If we look at the issue of access to finance for SME's in Europe, the latest ECB's report shows that "Access to finance" is on average the second most pressing problem, after "Finding customers", but before issues like "Competition", "Cost of production", "Availability of skilled staff or experienced managers", "Regulation". (European Central Bank, April 2013)

On the high side, 38% of the SMEs in Greece, 25% in Spain, 24% in Ireland and 21% in Portugal mentioned "Access to finance" as the most pressing problem, compared to 8% of the SMEs in Germany and Austria on the low side. At the euro area level, on balance, 5% of the SMEs reported an increase in their need (demand) for bank loans and 12% reported an increased need for bank overdrafts.

Regarding the availability of external financing, the report shows the SMEs were referring to:

- worsening of the general economic outlook
- reporting a worsening in their firm-specific outlook
- deterioration of banks' willingness to provide a loan

The main problems related to terms and conditions of bank loan reported by SME's were:

- increase in interest rates
- increase in other costs of financing
- increase in collateral requirements,

Moreover, it is showed that equity financing was severely affected by the financial crisis.

If we look at the social enterprises difficulties, it seems that in most OECD countries, social enterprises have difficulty obtaining access to credit (considering the fact that one of the key financial product used the most mainstream enterprises is bank loans).

Traditional institution generally refuses to lend SE (do not meet their established client criteria; are not seen as offering sufficient guarantees). (European Commission/OECD, 2013)

What is special and innovative in financing social enterprises?

In that kind of an environment, as the social enterprises are not always qualifying for finance under traditional methods/institutions they should be seek for new partners and innovative ways of financing their initiative. They are based on the fact that innovation is arising on the funding supply entities and methods as well. *It is important to note that social enterprises have the chance to use dedicated and specific channels that are not available to traditional businesses.*

Grants (direct and indirect opportunities). As traditional businesses do, social enterprises can apply to public grants awarded to reach specific objectives. What is important for SEs in Europe is to be aware that they could have more opportunities than traditional business, as social innovation seems to be more present as an issue under EU's new programs 2014-2020.[2] Indirect opportunities refers to the fact that social enterprises could benefit of different structures launched under public grants that are offering support to boosting innovation and investment readiness.

Funds focused on innovation could also be a target for social entrepreneurs. In this regard, they could look at those that are investing mainly in service innovation, delivered either by the public or social sector like: Young Foundation and the NHS Regional Innovation Funds in the UK, European Union's Equal Programme. In US notable examples include: Investing in Innovation Fund for Education, the Social Innovation Fund or the Race to Top Fund.

Institutional Investors are represented by different type of traditional funds such as pension or mutual funds, insurance companies or traditional banks which manage large portfolio. However, some of them are focusing on social impact:

Commercial investment funds – funds that prioritize financial returns and also seek to achieve social impact (Bridge Ventures – UK, PhiTrust-France, BonVenture, Germany)

Social investment funds – funds that prioritize social impact but also seek a financial return for investors (CAF Venturesome, Social Investments Business – UK, Fondazione CRT – Italy, Hellenic Social Investment Fund - Greece)

Social banks are specialized in the social sector and mainly offering secured loans. Profit is one of the objectives, but not the main one. They are concerned about the

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[2] The 2020 EU's budget represents significant support for social innovation at European level. Moreover there are proposals to integrate social innovation family of funds as well as to create a dedicated European Social Innovation Fund (European Commission, 2012)

community, about contributing to the well-being of the masses ensuring that their activity is in line with the broader goals of the society. Social banks would seek to closely understand the requirements of the customers and develop products that are best suited to their needs. (Chakrabarty, 2012). Relevant examples are Banca Prossima – Italy, Credit Cooperatif – France, Charity Bank - UK).

Venture philanthropy. The concept replicate the venture capital model into a social investment strategy that implies blended returns: financial revenues and social benefits. In Europe EVPA – European Venture Philanthropy Association, represents different venture philanthropist involved in financing social initiatives. Examples of Venture Philanthropy Funds are: Impetus Trust, Social Business Trust, The Foundation for Social Entrepreneurs, Esmee Fairbairn Foundation – UK, d.o.b foundation – Netherlands.

Corporate financing. Could become an important route of financing social initiatives if entrepreneurs are attracting corporations as investors in their project, as a way for CSR. For instance, in Romania Unicredit Business Integrated Solution & NESsT launched 3 projects of Social Enterprises (in July 2013) and OMV PETROM is financing different projects with social impact based on competition).

Crowdfinancing. Seen as an innovative solution mainly for traditional businesses, crowdfinancing is an opportunity for social and humanitarian projects as well (more than 500 platforms in total). Kiva, JustGiving or Babyloan are examples of platform that can put "crowd investors" face to face to social entrepreneurs.

Social (impact) bonds ('pay for success'). They represent a new mechanism to harnessing private capital to address and to solve some of the social 'ills'. The scheme is based on four types of parties: the government that decides what problems needs to be solved, the intermediary that is the issuer of the bond(s), independent investors that are offering private capital and a non-profit service provider. If the project reaches its objectives, the government repays the investors with returns based on savings that governments accrue due to the project's success (for more details see Harvard Magazine, July-August 2013).

On a personal view, I am not the advocate of awarding grants from public money to solve different social problems, on continuous basis. There are (at least) three reasons for that:

1 - Grants are spent some times without enough strictness or efficiency, the implied entities not realising the 'value of money' and the 'value for money' – "easy come, easy go"…;

2- Awarding grants on continuous basis to solve a problem can create dependency;

3 - An indirect financial support to social initiative could be more efficient and sustainable for different types of communities, creating the long run way of support for innovative approach for entrepreneurs.

Moreover, it is desirable that solutions for social problems should not come from just one entity, but more desirable from partnerships at different levels (local, regional, centre) and different types of entities (public, NGO's, private) looking for the mutual interest.

The idea of supporting a private initiative that is profit oriented but is looking to solve a social problem, a local community difficulty or to be environmental friendly on one hand, and can save a lot of public money, on another hand could be more effective. From another point of view, that kind of initiative has strong social principles, is long run and wide range oriented, not seeing profit as *raison d'être*. That means sustainability for the initiative as well as for its results offered to society. Small margin, but sustainable profits could be interested by investors or lenders (including banks).

The traditional banks should put more emphasis on tailored offers to SEs. For instance in UK there are "Community banking" products available. In July 2013, the Cooperative Bank launched the Social Enterprise Directplus account. It's specifically designed for community interest companies (CICs) set up with social or environmental value as their primary goal and offers a number of **free banking facilities**.

The main reason to launch this new product was that Social Enterprise UK's State of the Sector report 2013 showed the status of social enterprises, with more of them experiencing an increase in turnover compared to mainstream SMEs and more seeking finance.[3]

Conclusion

The first conclusion (and maybe the most important) is that there are more types of opportunities to finance a social initiative than a traditional business. There are dedicated, specific and innovative ways of financing a social enterprise. Social entrepreneurs should take advantage of them!

As local regional or central authorities may be involved in financing schemes, another conclusion is that innovation in social financing could bring savings to local, regional and central budgets. The authorities can move the central point from public spending or public procurement to solve a social problem, to supporting social enterprises that can address that problem under a 'for profit (social) initiative' in which less public money are spent.

The third conclusion could be seen as a question (or answer?) that may arise: due to the (EU) bank's need to change their business model, could social sector be of a special interest? There are at least two things to consider: financing the social sector and considering social purposes when designing products and services.

There are several reasons for traditional banks to explore this opportunity: (and the sooner they start to explore it, the earlier they could take competitive advantage):

• Social economy is increasing;
• Social economy could be seen as a sustainable sector, long-term oriented;

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[3] See the 22 July edition of "The Guardian". Details on Cooperative Bank's website as well (http://www.co-operativebank.co.uk/business/community/social-enterprise-directplus)

- As focusing on sustainability and strong principles in delivering results to communities, isn't there a low risk of adverse selection or moral hazard?
- Banks could consider and take advantage of government regulation and government support to social enterprises;
- Banks could improve their image and (re)gain popularity.

We should see new and innovative products and/or services provided by the traditional banks to social enterprises, following (and beyond) the UK bank offers.

However, social enterprises could be seen as alternatives to traditional businesses, as they create a better relation with the community and clients or even with the environment. They could be implemented by different types of organisations, targeting various social values, based on different approaches for business model. Thus, social entrepreneurs should explore the prospective solutions to finance their initiative, to evaluate which of them is the most appropriate.

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