

## **TOURISM, SOCIAL AND ECONOMIC BALANCE TOOL AND CULTURE IN RURAL AREA OF ROMANIA**

**UNGUREANU GEORGE<sup>1</sup>, CHIRAN AUREL<sup>2</sup>, CIUREA ION VALERIU<sup>1</sup>, GÎNDU ELENA<sup>1</sup>,  
BREZULEANU STRJAREL<sup>1</sup>**

<sup>1</sup>USAMV Iași, Aleea M. Sadoveanu 3, 700490, Romania

[ungurgeo@uaiasi.ro](mailto:ungurgeo@uaiasi.ro)

### **ABSTRACT - Tourism, social and economic balance tool and culture in rural area of Romania**

This paper brings into question the organization of tourism since it is a tool for balance, are generating significant income, jobs - thus reducing the unemployment rate, of civilization - by improving sanitary conditions and behavior social, aesthetic cultivation of taste, to continue and increase economic activities in a weak agricultural production, thereby enhancing quality of life itself.

Through this activity a direct contact between tourists and the local population is created, ensuring a better possibility to encounter new cultures and opinions. Knowledge spreads not only among those who practice agrotourism at the pensions, but also among the local dwellers with whom the tourists get in contact during their holiday and for the latter as well. Furthermore it is suitable for establishing friendly relations and preserving the local traditions, making culture and the society of rural a permanency. Thus harmony between authentic and modern is created, putting textures and traditional carpets next to a computer. tradition is kept, but modern is kept, but modern is not ignored.

The authors have proposed that the first part to address a number of theoretical concepts relating to subject matter, and in the second to examine the specific issues that are found or not in reality.

It is known that during the Roman period most of the trips were for shopping, cultural or military, and their paths inevitably going through the countryside. At the same time as the evolution of human society and the structure is diversified travel, as in the Middle Ages, especially traveling merchants, but often meet ambassadors, priests and pilgrims, scientists, artists, journeymen and students. Some of these travelers have decided to convey their experiences. We support this in writing aimer Picaud French monk who in 1130 made a guide for pilgrims who want to reach Santiago de Compostella, or Basho Japanese priest, who in 1960 wrote a poem entitled "Narrow Road to the North."

Aiming to present the evolution of facilities, Christureanu Cristina, in "Economics and politics of international tourism 'is quite suggestive quatrain:" stung by mosquitoes, bitten by lice / I managed to sleep in a bed / While horse urine / Right next to my pillow ".

**Keywords:** tourism, local population, economic balance, culture

## **INTRODUCTION**

Therefore, tourism is an activity extremely beneficial for tourists who are trying to relax and relax and forget the stress of everyday worries and service providers in this field who make large profits by charging this activity.

## **RESULTS**

Agrotourism comprises all the touristic activities unfolded in the rural area, outside the areas destined to "the tourism of lights" (in cities), "the blue tourism" (seaside), "the health tourism" (in spas), and "the white tourism" (in mountaneous areas). The agrotouristic

potential in the Romanian village is extremely complex, comprising natural and cultural-historic elements of great variety and touristic attraction. Through this, agrotourism is a mean of integral utilization of rural environment, with its agricultural, touristic, anthropic and techno-economic potential. Apart from other types of rural tourism and countryside vacations spending, agrotourism does not comprise anything else but the activities through which the family that accommodates tourists obtains income from this, and not only from the accommodation activities, but also from the agricultural ones. Thus, two agricultural households were analysed, each of them having different activities, one of them performs the agrotouristic activity besides the agricultural one.

#### **The analysis of income and costs at the agrotouristic pension (household A)**

The agrotouristic pension is situated in Chiril Village, Crucea commune, 29 km away from Vatra Dornei municipality. It is located at the feet of the Rarău Mountains and also on the course of Bistrița River. The pension is placed in an area that offers very good conditions of spare time spending. It has an accommodation capacity of 20 places, in 2 and 3 persons room as it follows: 4 family rooms, 4 double rooms, equipped with all utilities necessary to perform this activity. The management staffs are represented by the members of the family and there are two more persons hired, one full time and one part time.

**Table 1: Total investment in Agri-tourism activity**

	INVESTMENT IN:	UNIT-€	VALUE	PERCENTS
1	PENSION BUILDING	€	26052	91,59
2	FACILITIES (SHOWERS, ETC)	€	1302	4,58
3	FENCE (WALL)	€	466	1,64
4	INVENTORY	€	622	2,19
5	OTHER	€		
	<b>TOTAL</b>		<b>28443</b>	<b>100,00</b>

The initial capital requirement is usually higher in relation to average agricultural household income. Because the agricultural household A cannot be afford it is need barrow money from bank or other sources.

For payback of the investment value in this projection was use the actual interest rate (14 %) from Romanian Bank from investment in ROL currency.

**Table 2: Agri-tourism expenditure (4 double rooms)**

	Item	Unit	Value	Percents
1	Energy	€	397	11,35
2	Employers expense	€	2239	6,39
3	Tax for social protection	€	671	1,92
4	Medical fees	€	156	0,448
5	Raw materials	€	13435	38,391
6	Drinks	€	10076	28,79
7	Repairs, maintenance	€	622	1,77
8	Tax for added value	€	4467	12,76
A.	Total direct costs	€	21210	60,61
9	Interest rate	€	12738	36,39
10	Administrative expenditure	€	933	2,66
11	Miscellaneous	€	113	0,324
B.	Total variable costs	€	13784	39,39
	Total	€	34995	100,00

Because the risk is increasing in case of borrow money, farmers who want to implement agritourism activity in agricultural household should examine the particulars of their own situation; the agricultural household location, the characteristics of their land and natural resources and the potential consumer population of the surrounding area. They should also assess their own individual strengths and interests regarding agritourism activity. The implement new activity may also reflect the financial needs and liquidity problems of the agricultural household.

The exploitation situation is:

The surface of agricultural land owned by the agrotouristic farm is 2,50 ha, of which 96.8% arable land that is exploited in order to obtain produce, part of them for domestic consume, and the difference for capitalization through agrotourism.

**Table 3: Land use**

Land use	Surface of agricultural land	%
Agricultural land	2,42	96,8
Non- agricultural land	0.08	3,2
Total	2,50	100

The animal force is formed by 2 cows, 2 calves, 2 pigs, 20 hens and 20 chickens (table 4). The only produce sold on the market in order to obtain profit, are the dairy produce and a part of meat production.

**Table 4: The number of animals**

Effective structures	Number	Stock Value (ROL)
Cows	2	5400
Calves	2	3000
Pigs	2	600
Hens	20	240
Chickens	30	90

The value of a cow is 2,700 ROL, thus the value of cows stock is 5,400 ROL, also 1 calf represents 1,500 ROL, resulting, thus, a value of 3,000 ROL for 2 calves. The value of pigs stock is 600 ROL which represents that a pig costs 300 ROL. Concerning the value of bird stock, a hen is 12 ROL and chicken is 3 ROL/piece. Thus results the total value of animal force income is 9,330 ROL.

Concerning the destination of animal production, this is mainly for domestic consume and agrotourism activity, the rest for marketing.

The zootechnical sector is destined to obtaining products of animal origin necessary for the agrotourism activity. The produce obtained are: milk, beef, pork, chicken, eggs. A part of the obtained production in this sector is destined to marketing, which has a favourable influence on the increase of household profit. The income in the zootechnical sector, the one obtained from produce selling on the market, as well as that destined to agrotourism, values 11,100 ROL.

The agricultural production profit, compared with that of zootechnical production, is 4,102 ROL higher, and, the profit obtained from agricultural produce marketing and its use in the agrotouristic activity, is of 15,202 ROL compared to 11,100 ROL, the profit of zootechnical production. This fact is owed to the marketing, in a higher proportion, of agricultural produce, than that of zootechnical one because buying alimentary products made of meat implies higher expenses.

The touristic activity performed by this household leads to an annual revenue influenced by the accommodation cost which includes a meal, and by the pension's extent of occupancy, as it follows:

#### **The extent of occupancy**

When establishing the accommodation costs, there must be into account the personal expense and the costs perceived by the other pensions in the area, as well as the expenses of raw materials and consumer goods.

Out of 365 days in a year, the pension is occupied only for 205 days; nevertheless, the profit obtained from accommodation is of 52,550 ROL. The household has total annual revenue or:

$T_i = \text{income from zootechnical production} + \text{Income from agricultural production} + \text{Income from tourism activity}$

$$T_i = 11,100 + 15,202 + 52,550$$

$$T_i = 78,852 \text{ ROL}$$

The household costs are distributed and the incomes too, an categories: costs of zootechnical production, costs of agricultural production and costs of tourism activity.

#### **Costs of animal production**

The total costs of animal production are of 6,161 ROL, with annual revenue of 11,100 ROL. Regarding the costs of production on crops, these are determined: costs of fertilizers and seeds or saplings, of transport of the products from the harvesting place to the storage one, these costs include costs of fuel, labour, costs of mechanical field works (wedding, harvesting), costs of seasonal labour, all these depending on crop and on fluctuating costs (table 3).

### **The structure of the costs of production on crops**

The highest costs of production are recorded at fodder plants, 1,545 ROL, followed by potato crops with 1,125 ROL. The fee on property is 450 ROL, total on the whole arable surface.

### **The value and structure of costs in tourism activity**

The presented data shows that the highest weight (one third) is represented by costs of salaries, followed by the costs of electricity (16.38%), costs of food acquisition (12.72%), annual liquidation (11.37%), insurance and social services (9.10%), restorations (2.95%) and advertising (2.28%) out of the total costs.

At the agrotouristic pension, the costs added are those of agrotouristic activity: 43.940 ROL, thus the total costs are of:

$c = \text{costs of zootechnical production} + \text{costs of crops production} + \text{costs of agrotouristic activity}$

$$c = 6,161 + 3,884 + 43,940$$

$$c = 53,985 \text{ ROL}$$

### **Analysis of profit and costs in an agricultural household (household B)**

In the first household practises, the agrotouristic activity and owns a land surface of 2.50 ha, the second analysed household practises only agriculture, the income resulting from agricultural produce marketing (milk, meat, potatoes, vegetables).

### **The modality of land use**

The agricultural land is destined to potato crops, a very small surface to corn beans, onion, other vegetables and annual fodder plants. The surfaces occupied by these crops are different in size.

### **The structure of crops**

It is noticed that the largest land surface is occupied by fodder with 0.62 ha (38.75%), followed by potato crops with 0.6 ha (37.5%); vegetables occupy a surface of 0.20 ha (12.5%), the corn with 0.1 ha (6.25%) and onion with 0.1 ha (5.0%) out of the total surface of 1.60 ha.

Most of these crops are destined to marketing, the rest is used for domestic consume, animal feeding and seeds.

The total profit of agricultural production is 4,498 ROL, quite low annual revenue compared to that of the agrotouristic pension.

The household's animal force is a total of 56: 3 cows, 2 calves, 1 pig, 30 hens and 20 chickens.

### **The total economic efficiency of the analysed households**

One of the most important indicators of economic efficiency in agrotourism is profitability. Defined as a relation between the obtained result and the means used, profitability is an indicator under the basis of which are estimated the performance obtained, and also the possibility of making profit. Profitability is a currency excess, the balance between total returns and total costs.

The profitability of the activity is analysed on the basis of the indicators expressed in relative size, but also on the basis of those expressed in absolute size. Among the indicators expressed in absolute size, can be mentioned:

- gross profit – expressed as a difference of total revenue and total costs;
- net profit – calculated as a difference of gross profit and income profit.

The difference of profit between the two households can be easily noticed, household A being the most profitable thanks to the practising of agrotourism; in this case, the income is remarkably much higher so the resulted gross profit is 24,867 ROL and the net profit is 3978.72 ROL, compared to the second household which does not perform agrotourism activities, and has a gross profit of 9,795 ROL and a net profit of 1567.2 ROL. From efficiency point of view, the first household (agrotouristic pension) has a higher profitability.

As in other economic activities, in agrotourism too it is pursued the obtaining of a sufficiently high profit so that it can ensure the paying of capitals, the maintenance of existent economic potential and to increase the economic efficiency according to the evolution of touristic market and to the random factors.

An important role, in the analysis of the profitability of activity, plays the indicators expressed in relative size.

Among these is remarked the rate of profit calculated according to the formula:

$R = P/RS \times 100$  or  $R = P/C \times 100$  where

R – rate of profit

P – profit

RS – rate of sales

C – total costs

- household A has a rate of profit of:

$R = P/C \times 100$

$R = 24,867/53,985 \times 100$

$R = 46.06\%$

- household B has a rate of profit of:

$R = P/C \times 100$

$R = 9,795/8,423 \times 100$

$R = 116.28\%$

The economic profitability means the efficiency of total or part of the assets utilization. It is expressed through the rate of economic profitability which should be superior to the rate of inflation. A sufficiently high rate of economic profitability should allow the renewal and increase of fixed assets in a short time. The rate of economic profitableness is based on the profit for the period and the total assets, thus:

$PR = (\text{profit for the period before taxation} / \text{total assets}) \times 100$

- household A has an economic profitability of:

$PR = (24,867/35,600) \times 100$

$PR = 69.85\%$

- household B has an economic profitability of:

- $PR = (9,795/11,750) \times 100$

- $PR = 83.36\%$

The financial profitableness is estimated through the rate of financial profitableness of long term capital, and through the rate of profitableness of personal capital calculated according to the formulas:

FPr = (Profit for the period before taxation / long-term capital) x 100, where: long-term capital = personal capital + medium or long-term credits

- household A has a financial profitability of:

$$\text{FPr} = 24,867/42,750 \times 100$$

$$\text{FPr} = 58.17\%$$

- household B has a financial profitability of:

$$\text{FPr} = 9,795/21,400 \times 100$$

$$\text{FPr} = 45.77\%$$

**Table 5: Size and structure of the categories of utilization**

Specification	UM	Surface	% from total
Total surface	ha	50	100
Agricultural	ha	47,5	95
Arable	ha	30	63,15
Pastures	ha	10	21,05
Meadows	ha	5,5	11,57
Vegetables	ha	2	4,23
Non-productive	ha	2,5	5

From the presented data can be noticed that both of the households are lucrative, but the agrotouristic pension has a higher profitability compared to the common household. Having a net profit of 3978.72 ROL and a rate of economic profitability of 69.85%, the pension can afford to invest in new objectives.

The social-economic efficiency can be entirely studied at the level of a touristic complex product or of a company, but it can also be analysed at the level of each constitutive activity of touristic product (result).

## CONCLUSIONS

The Agri-tourism activity has two major purposes:

The first is to provide leisure and recreation for the public;

The second is to increase farmers income by use the own products and avoid in this case the expenses of transport and taxes compare with another kind of tourism.

The standard small agricultural household can be motivated to implement new activity because there is a lot of other advantage:

- agri-tourism activity build rural development and increase the job opportunities;
- assure continuity of agricultural activity in mountain region where the agriculture is very poor;
- authentic products and unique experience are made available to the agricultural households;
- provide opportunities to show which products will be important in future, established crops that are needed for consumption in restaurant; agri-tourism activity has potential for new sources of revenue from products and services that can be incorporated as part of “ working “ agricultural households;

- agri-tourism activity can generate revenue and important cash flow during the off-season;
- agri-tourism activity also, provides opportunities to create recognition of the landowners that practice this activity;
- to increase the level of social behaviour within relationship with another members from same or another community;
- to grow-up the aesthetic spirit that can improve also the hygienic- sanitary situation.

In conclusion, Agri-tourism activity can provide additional income to farmers and rural community. It can provide additional supplement revenue that can make a difference between a profit loss for agricultural producers, agribusiness and rural community. It is a way to “add value” to crops and livestock currently grown on the farm. It also has the potential for building relationship between agriculture and industry.

## REFERENCES

- ACATRINEI MARILEANA (2002) – Tendințe în dezvoltarea turismului rural. Turismul rural românesc.
- BRAN FLORINA, MARIN D., SIMON TAMARA (1998) – Economia turismului și mediul înconjurător, Editura Economică, București.
- BREZULEANU S., CIUREA I.V., UNGUREANU G., MEREU NICOLETA (2002) - Aspects du développement rurale du Departement de Bistrița-Năsăud- Universitatea de Științe Agricole și Medicină Veterinară, Facultatea de Agricultură, Lucrări Științifice.
- BREZULEANU S. (2004) – Management agricol – teorie și practică. Editura Performantica Iași.
- CIUREA I.V., CHIRAN A., BREZULEANU S., GINDU ELENA, UNGUREANU G. (1998) - Researches regarding the efficiency of technical-economic activities of some mountain farms from western carpathians. Programul TEMPUS-PHARE – Contributi allo studio dell’a transizione dell agricoltura rumena verso il mercato: aspetti strutturali, economici ed estimativi. Editione Conquiste, Bologna.
- UNGUREANU G CIUREA I.V., BREZULEANU S ,2003 Analysis of the agricultural households with medium size in Romania, Lucrări științifice, Seria Agricultură, CD