

Developing rural tourism through the European funds

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INTRODUCTION

Abstract.

The meaning, the structure and the consistence of rural tourism can be both seen from a conceptual perspective and a socio-economic one. It has already been several years since rural tourism somehow became a development pattern for the former and future agricultural possible non-productive rural areas and their local communities. We, thus, try to find the appropriate manner to analyse the opportunities of Romanian rural areas to develop through rural tourism activities after assessing the level of priority tourism receives through its position in the European regulations of policies and structural funds. Consequently, among the multitude of opportunities rural areas and their local communities face in the period of 2007-2013, we can notice a complex of advantages tourism and other related measures mentioned have towards creating an integrated sustainable socio-economic development.

Key words: *structural funds, priority, rural tourism, economic conversion, alternative income.*

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The different priority level from which perspective rural tourism is integrated in the policies of sustainable socio-economic development is reflected and proved by the position it holds among all the priorities, included and established by the European policies, for both economic cohesion and rural development. Another perspective is revealed by the financial share is allocated according to each policy and their financial instruments, be them structural or of other nature¹. On the other hand, rural tourism, as a way of economic conversion of the rural areas, entails a concurrent admission of the challenge and development pattern that, for the most part, it involves the local community and people's perspective on an alternative, organized economic activity. Therefore, it has become rather appropriate to consider rural tourism subject of our analysis though its appearance and consistence in relation to the European funds in a comparative analysis, on a theoretical and regulation basis, neither an assessment regarding the financial aspects of the delivery system from the institutions in charge to the previous and future beneficiaries located in Romanian rural areas, nor the implementation of rural tourism development policies, programmes and projects in the newly specific attempts of economically restructuring the areas under observation and their local communities.

¹ In this case it is mandatory to mention that rural tourism development has not represented only the priority of structural funds, but of the European European Agricultural Guidance and Guarantee Fund (EAGGF) - Guarantee section and Leader+, as financial instruments of the Common Agricultural Policy.

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RURAL TOURISM – AIM, PRIORITY AXIS AND OBJECTIVE OF THE EUROPEAN POLICIES FOR DEVELOPMENT

The common and basic aim of the European policies starting with 1999 has been to reach an optimum level of evolution and a balanced socio-economic system of every each European Union's member state. In case of Romania, the entire complex process of adaptation has begun during the pre-accession period between 2000 and 2006, time in which the same fundamental objectives and priorities of the previously mentioned policies of development were applied through the pre-accession financial instruments, such as SAPARD, for the rural areas, ISPA and PHARE for urban areas, all of them concluding towards a socio-economic integrated and sustainable development, thus covering the entire territory and people inhabiting it. The actual and future correspondent policies and their functional structural funds continue the work of the 9 initial objectives implemented through 6 financial instruments in the period 2000-2006, by synthesizing them into 3 objectives and 3 financial instruments², within which tourism states as one of the priorities established through convergence objective because all regions of Romania are eligible for development under Convergence objective.³ The main objectives include Convergence, regional

competitiveness and employment, on two level of action – the national and the regional one-, and European territorial cooperation objective. The priority objectives established after the reform of the Structural Funds for the period of 2000-2006 shows a consistent form of presenting the major impact actions classified into 6 objectives⁴, three of which having direct consequences on the development of rural tourism as an economic activity:

- *Objective 1: promoting the development and structural adjustment of regions whose development is lagging behind*

- *Objective 5a: speeding up the adjustment of agricultural structures in the framework of the reform of the Common Agricultural Policy and facilitating the structural adjustment of the fisheries sector in the framework of the reform of the Common Fisheries Policy*

- *Objective 5b: facilitating the development and structural adjustment of rural areas*

Each of them benefits of structural funds that provide non-refundable financial aid for programmes and projects implemented, and yet, not all of them represent subjects to our analysis, due to their development perspective. Hence, for the European Social Fund, which provides assistance to projects involving actions regarding the social and educational issues, the social inclusion and employment of the disadvantaged people in terms of economic and social change⁵, rural tourism does not represent even one of the secondary importance objectives. However, we

² Cohesion Policy: the 2007 watershed, European Union, Regional Policy 2007-2013, Fact Sheet, 2004, p. 8, http://ec.europa.eu/regional_policy/sources/docgener/informat/reg2007_en.pdf

³ Romania. Cohesion Policy 2007-2013, European Union, Regional Policy, Fact Sheet, p. 1, http://ec.europa.eu/regional_policy/atlas2007/fiche/ro_en.pdf

⁴ Reform of the Structural Funds 2000-2006. Comparative analysis (June 1999), European Commission, p.4, http://www.ndp.ic/documents/publications/reg_cir/Compare9499_2006.pdf

⁵ Cohesion Policy: the 2007 watershed, European Union, Regional Policy 2007-2013, Fact Sheet, 2004, p. 7, http://ec.europa.eu/regional_policy/sources/docgener/informat/reg2007_en.pdf

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cannot omit the fact that, any positive change, be it on the socio-demographic side of the Cohesion Policy, can lead to results later on brought up by the local communities' behaviour in adopting and practicing new economic activities due to their professional conversion. Hence, it appears obvious, even though indirect, one of the available connections between rural tourism both on social and economic sides of it. Among the priorities established by the European Regional Development Fund, as element of the Cohesion Fund 2007-2013, tourism stands for 2.3% of the total financial budget of about 19.2 billion euros used to co-finance operational programmes that would be implemented during the 7 years period⁶. Thus, the European Regional Development Fund includes special provisions for rural areas, as well, besides the urban, cross-border or outermost areas. Overall, the European Regional Development Fund set the sustainable development and the promotion of new jobs as the main task

Regional development policy fulfils the purposes established by the European territorial cooperation objective by financing programmes for cross-border cooperation⁷ such as: *Romania-Bulgaria*

⁶Among other priorities, the largest percent rate is given to transport (34.3%), followed by environmental protection and risk prevention (30.2%) and innovation and entrepreneurship (12.0%), urban and rural regeneration (5.8%), investment in social infrastructure and technical assistance (each with 3.6%), energy (3.9%) and culture (1.3%). Hence, Cohesion Policy integrates tourism amongst the last priorities from the financial perspective, whereas Common Agricultural Policy through its rural development axis establishes tourism as one of the main economic activities that should provide alternative income in rural areas.

⁷http://ec.europa.eu/regional_policy/atlas2007/eu/crossborder/index_en.htm

(counties of Mehedinți, Dolj, Olt, Teleorman, Giurgiu, Călărași and Constanța), *Hungary-Romania* (Satu-Mare, Bihor, Arad, and Timiș) or *South-East Europe* Operational Programmes that involve measures applied on a NUTS 3 territorial level, with a significant impact on economic development, due to the specific marginalized identity of those centre-remote areas, aiming at certain sustainability by mutual involvement of both parts⁸. European Union approved these three community financially supported operational cross-border programmes co-funded by the European Regional Development Fund under the European Territorial Co-operation Objective, for the period 2007-2013. Every operational programme initiated in the cross border areas between EU member states include rural tourism, sea-tourism and eco-tourism, as variants of classical tourism, identified as measures or actions included in some of the priorities expected to have impact upon by their implementation. Even though it does not stand for priorities of rank 1, it has its stable position, which proves the importance it is given as an alternative and choice towards socio-economic cohesion and development.

The Operational Programme "South East Europe (SEE)" whose major goal is to improve "the territorial, economic and social integration process and contribute to cohesion, stability and competitiveness" includes tourism activities in the second priority, both in terms of importance and of financial allocations, among the five

⁸ The Romanian areas included and had in view by the European Commission as being eligible for benefiting of cross-border funded operational programmes were established by the *Commission Decision of 26 March 2007* amending Decision 2006/769/EC drawing up the list of regions and areas eligible for funding from the European Regional Development Fund under the cross-border and transnational strands of the European territorial cooperation objective for the period 2007 to 2013 as concerns Bulgaria and Romania, Official Journal of the European Union, 28.03.2007, article 1, annex 1.

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established priority axes, entitled "Protection and improvement of the environment" as probable projects that, among others, it would include: "...strategies for rural and maritime tourism, developing networks on "green industries". The Operational Programme Hungary-Romania, whose major goal is "to bring the people, communities and economic actors of the border area closer to each other in order to facilitate joint development", accentuates on the precarious state of all border rural areas and the need of social and economic recovery, even though it does not mention tourism of any kind as one of the specific measures comprised by priorities. The Operational Programme Bulgaria-Romania supports the overall goal of bringing together "the people, communities and economies" and of supporting "the joint development of a co-operative area, drawing on its human, natural and environmental resources and advantages". Expecting such significant impact they approved and set 4 priority axes. This time, we can consider tourism included both in the second and third priorities, due to the relation with the protection of natural areas and man-made sustainable economic activities that should not affect and should protect the integrity of environment. And, on the other hand, tourism integration in the activities related to the development of cross-border business infrastructure and services, and of creating joint integrated tourism products.

The European Agricultural Guidance and Guarantee Fund (EAGGF) represents one of the financial instruments present in all objectives listed above and it mostly supports rural development policy as the second major pillar of the Common

Agricultural Policy. It also finances Leader Programme, which is directly interested in developing projects strictly related to rural areas and their local communities. Among the objectives and strategies of rural development rural, tourism represents one of first priorities in Leader+ Programme, both directly and indirectly, by promoting "the development and exploitation of the economic potential of cultural heritage", therefore adopting measures and activities included in available projects, such as: new tourist accommodation facilities; restoration of old farm buildings for use as self-catering accommodation; collective marketing and development of local leisure and recreation facilities; projects that contribute to sustainable tourism development such as introducing quality systems⁹.

Thus, when assessing the importance of rural tourism as an economic alternative measure for creating a sustainable development at a local, regional and national level, we have to notice the position it hold among the priorities of every each policy and structural instrument. Anyhow, its presence is stable and significant on every level of importance, even if it is located on the first level of importance given to the existence of specific policies for rural development, or if it comes to broader actions initiated by the European Regional Policy of Development. Assessing the importance tourism is given in the European policies for development we chose to create a qualitative scale from 1 to 5 according to its importance or visibility in the contents of the measures included by the particular objectives and axes of priority established by the regulations of policies (see figure 1).

⁹ Leader+ in support of Commerce and Tourism, DG Enterprise of the European Commission, Enterprise publications, http://ec.europa.eu/enterprise/tourism/docs/studies/structural_funds/sf_lea_der_en.pdf, p. 3.

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According to its specific presence among all the socio- economic objectives established by the policies, be them regional or rural, and then co-funded by their financial instruments, tourism holds a specific level of importance from 1 to 5, 1 representing the lowest level of importance, while 5 representing the highest importance tourism can have. We also divided the analysis on two territorial scales of reference according to the applying policy: The Common Agricultural Policy (CAP) for rural areas and the Regional Development Policy for regions, not specifying the category (rural or urban). We can assess that the maximum level of importance (3) in case of regional policies and objectives integrates the lowest degree of importance in case of rural areas,

therefore the value of the global importance at the European level being an average of the two scales under discussion but not necessarily the case of every EU member state. Every state tries to define its national policies for development trying to achieve an integrated and sustainable territorial development, therefore, including or not tourism as a specific priority.

Global level of importance	Sectoral level of importance	Specific level of importance	Objective	Financial instrument/ Programme	Policy of development
3	4	4	Rural tourism development	EAFRD	CAP
		5	Development & exploitation of economic potential and cultural heritage	Leader +	CAP
		3	Rural development	EAGGF	CAP
	2	3	Competitiveness & employment	ERDF	Regional Development Policy
		2	Territorial cooperation		
		1	Employment & social inclusion	ESF	Regional Development Policy

Figure 1. The integration level of rural tourism in the European policies for development.

RURAL TOURISM AND RURAL DEVELOPMENT

Rural development, as one significant complex of identities and facts, includes rural tourism among the aims, objectives and projects

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for local development, under all aspects. Structural funds become the financial instruments that support the entire process of rural tourism, through rural development, therefore, it representing one of the main activities that would attract both local investors as stakeholders in this industry and investors in consuming their free time using the services provided by rural tourism.

Two policies of development stand up through their specific financial instruments, in the name of Regional Development Policy and Common Agricultural Policy with its second pillar, Rural Development Policy. Their correspondent financial instruments are represented by the European Regional Development Fund and the European Agricultural Guidance and Guarantee Fund and the European Agricultural Fund for Rural Development. The council regulations that set the grounds for applying and using this non-refundable financial aid reveal the adopted specific directions that should be followed in the process of rural development, regarding rural areas as facing economic growth, new jobs and sustainability by stipulating the following opportunities¹:

- the potential for growth in new sectors;
- *the provision of rural amenities and tourism*;
- the attractiveness as a place in which to live and work;
- the role as a reservoir of natural resources and highly valued landscapes;

The second priority axis of the rural development policy, "*Improving the environment and the countryside*" specified the paths for valorizing the opportunities given, by synthesizing possible actions subject to future eligible projects, like *encouraging environmental/economic win-win initiatives*² by the provision of environmental goods, which could contribute to the identity of rural areas and their food products. Hence, the economic growth and jobs may be provided through tourism and the provision of rural amenities, particularly when linked to diversification into tourism, crafts, training or the non-food sector activities.

At the same time, axis 3 of development, "*Improving the quality of life in rural areas and encouraging diversification of the rural economy*" accentuates the necessity of tourism to be present in the local strategies for development, it representing a chance and possibility for the creation of new jobs, especially for women employment, the increase in the attraction of natural assets by transforming it in the natural support for rural tourism, the preservation of natural, spiritual and material heritage. We selected three main key actions³ that underline the development of tourism and its related economic activities, beneficiaries and benefits:

- raising economic activity and employment rates in the wider rural economy. Diversification is necessary for growth, employment and sustainable development in rural areas, and thereby contributes to a better territorial balance in both economic and social terms. Tourism, crafts and the provision of rural amenities are growth sectors in many regions and offer opportunities both for on-farm diversification outside agriculture and the

¹ Council Decision of 20 February 2006 on Community strategic guidelines for rural development (programming period 2007 to 2013), Off. Journal of the European Union 25.2.2006, p 4.

² Idem , p.7, pct (v).

³ Council Decision of 20 February 2006 on Community strategic guidelines for rural development (programming period 2007 to 2013), Off. Journal of the European Union 25.2.2006, pp.7-8.

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development of micro-businesses in the broader rural economy;

- training young people in skills needed for the diversification of the local economy, which can tap into demand for tourism, recreation, environmental services, traditional rural practices and quality products;

- encouraging the development of tourism. Tourism is a major growth sector in many rural areas and can build on cultural and natural heritage. Increased use

of ICT in tourism for bookings, promotion, marketing, service design and recreational activities can help improve visitor numbers and lengths of stays, particularly where this provides links to smaller facilities and encourages agri-tourism.

Therefore, according to the strategic guidelines approved for the rural development process in the period of 2007-2013, rural tourism implies transformation on multiple levels: the environmental, the economic, the cultural, and the socio-educational one.

The European Agricultural Guidance and Guarantee Fund (Chapter 9, Article 33) Specific perspective	The European Regional Development Fund (Article 2, pct 2, pct 6) General perspective
<ul style="list-style-type: none"> - renovation and development of villages and protection and conservation of the rural heritage, - diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes, - agricultural water resources management, - development and improvement of infrastructure connected with the development of agriculture, - encouragement for tourist and craft activities, 	<ul style="list-style-type: none"> - the development of tourism and cultural investment, including the protection of cultural and natural heritage, provided that they are creating sustainable jobs; - the protection and improvement of the environment, in particular taking account of the principles of precaution and preventative action in support of economic development, the clean and efficient utilisation of energy and the development of renewable energy sources; - local economic development and employment, including in the fields of culture and tourism where these contribute to the creation of sustainable jobs;

Table 1. Priorities related to tourism activities by rural development policy and regional development policy.

Overall, tourism represents one of the leading growth industries in Europe and worldwide, in terms of both output and employment creation. Tourism, thus, represents an important economic asset for

a large number of regions, rural communities and cities in the Union¹. Therefore, a balanced and

¹ The Structural Funds and their coordination with the Cohesion Fund. Guidelines for programmes in the period 2000-2006. Communication of the commission, Commission of the European Communities, Brussels, 01.07.1999, p.19.

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sustainable development of tourism should be supported in particular, not leaving aside the correlated actions that would support its well-going through:

- the rehabilitation and construction of road and water infrastructure, and the accommodation basis;
- the continuous training of the human resources, especially young and female population, so that they should be professionally skilled for providing tourism services;
- the promotion of cooperation between agricultural practices and tourism activities for creating a basic structure for agri-tourism and other agriculture-tourism activities;
- the encouragement of maintaining national and rural identity in order to create the specificity needed for a successful attraction of foreign tourists;

CONCLUSIONS

Trying to initiate an evaluation of the contribution of the Structural Funds to sustainable rural development through promoting tourism activities, in relation with the preservation of cultural, natural heritage and environment and by using the available human resources rural areas dispose of, we bring out the intricate issue of rural tourism as a means of developing rural areas, especially those lagging behind, at all territorial levels. Integrating tourism among the alternative economic activities gives us the opportunity to reveal its importance and the impact this economic attitude towards progress has had upon local communities. Along with the development of the accommodation infrastructure, rural tourism activities

provide a chance for improving water and road infrastructure, especially in mountainous areas. The main aim of the European Union's policies for development at all territorial scales is to help reduce economic and social disparities of the regions lagging behind. The national policies, on the other hand, illustrate the European financial support through their own main axes of development. In case of Romania, tourism might represent the easiest way to recover rural non-agricultural areas and a means of employing the over-numbered female workforce populating them. All in all the directions of development set by the European organisms may stand for a challenge or choice for every member state on their way towards development.

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