

## STUDY ON THE ECONOMIC IMPACT OF TOURISM AND OF AGROTOURISM ON LOCAL COMMUNITIES

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***Abstract:** The economic impact of tourism in general and rural tourism in particular has been the subject of many studies, the overall assessment of the economic impact of tourism and of agrotourism on a community, city, region or country is made from two points of view well defined: scale and features.*

***Key words:** impact, tourism, agrotourism, economic*

### INTRODUCTION

There were made two big mistakes in the analyze of the economic impact of tourism, in general, and of agrotourism, in particular, in the sense that they were analyzed almost exclusively only **the incomes from tourism** and **creating new jobs**, ignoring the wide range of effects that tourism practice has on the alternative macro-economic contexts (trade liberalization, with direct effects on distribution, pressure drop of the taxes on families, with effects on their welfare, etc.) [7,8].

It is hard to determine the share held by tourism in general, and agrotourism, in particular, both in Romania, and outside of it because of the existence of so-called "**gray economy**" (parallel economy or underground economy). The proof of practicing "**gray tourism**" is the large number of rooms for rent or villas without tourist license - so-called "**para-hotelry**" - which increase the number of beds put in service of tourists, make tax evasion and operating without control and regulations. In Greece, for example, this type of tourism represents, in the last decade of the twentieth century, 29% from GDP [4,1].

As Stynes suggested, a decade ago [5,7] for any manager from tourism in general and agrotourism, in particular, the problems treated below should be as clear as it can. In the study of the economic impact of agrotourism on a region, regardless of its size, the number of foreign tourists and, especially, their geographical origin are extremely important. The expenses made by foreign tourists with tourist products and services represent the only economic activity that contributes to the region's increasing prosperity and living standards of local people, which makes from **foreign tourists the only source of economic impact** [3,6].

### RESULTS AND DISCUSSION

The economic impact of tourism on local communities can be easily schematically represented as follows:

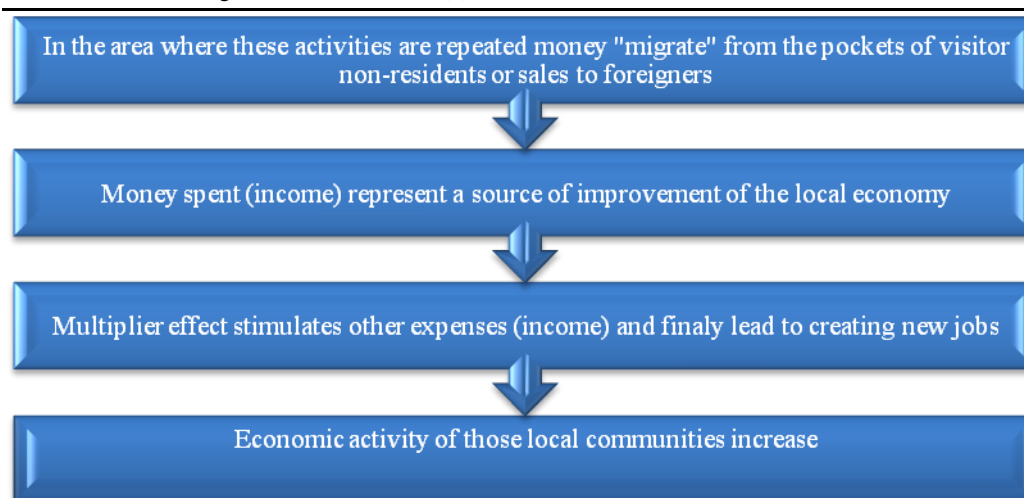


Figure 1. Propagation of tourism’s economic impact of on local communities

A U.N.E.S.C.O. report recognize even that we may need to focus more on agrotourism and on new areas of growth to reduce poverty and to develop the skills witch reflects changes from the labor market.

This approach type of the development and tourism management lead to considerable economic benefits for poor rural communities (Table 1).

Table 1

Benefits of “tourism for poors”

<b>Economic benefits</b>	<b>Non-financial impact on quality of life</b>	<b>Participation and partnership</b>
Increase the number of jobs and level salaries	It constitutes and forms capabilities	Create a more conducive frame for implementing policies that allow participation of the poor
Increase the number of opportunities for local businesses	Reduce the impact on the environment	Increase the participation degree of the poor in decision-making in public and private sectors
Leads to the appearance of providers of tourism service (of food, etc.)	It counts the problem of non competitive use of natural resources	Constitues the partnership for the poor with the private sector
Leads to the appearance of peoples that sell to tourists (craftsmen, artists, guides etc.)	Improves social and cultural impact	Increase information flow and communication between shareholders
Develop the collective sources of income (through taxes, profit, dividends, donations, etc.)	Increases the level of local access to infrastructure and services offered to tourist (roads, communications, health, transports)	Puts the bases of ongoing dialogue on the future

Source: PPT Partnership. Sheet No. 2, PPT strategies

In this context it should be mentioned also the initiative so-called "**tourism for the poor**". This idea has his origin in the finding that in countries in ongoing development tourism is often in the hands of some groups of interests from the foreign private sector whose sole purpose is financial gain, which rather increase poverty level than reducing it by increasing costs. The Institute for the Development of Foreignness has made from "**tourism for the poor**" an item on the ONU Commission agenda for Sustainable Development and defined it as "tourism that has as result increased net benefits for the poor, usually (but not exclusively) in countries in ongoing development"[2].

In decision making in tourism field are taken into account the results of economic analysis made at different levels, with specific methods of each. So, any of the economic analysis below can be used separately or in combination with one or more other:

- **The analysis of benefit and cost** shows *witch alternative policy generates the highest net benefit in time* based on monetary and non-monetary values, using the method of estimating the cost and valuing contingency method;
- **Analysis of demand** shows *how changes the number of tourists in an area because of the quality and quantity of tourist facilities, competition, changes in prices, promotion*, using estimations based on judgment (Delphi method), based on historical trends (series in time method) or of variation of the number of guests or nights taken into account the key determinant of the demand such as quality, competitiveness, distance from markets, low income level, population;
- **Financial analysis** shows *if it can get profit from tourism activity*, meaning if tourism generates enough incomes to cover its costs and achieve a reasonable profit, with a short-term analysis of the availability and cost of start-up capital and of some long term analysis of the operating costs, debt and incomes;
- **Analysis of economic impact** shows *which is the contribution of tourism activity to the region's economy* by identifying changes of sales volume, of employment due to tourism activities and income from taxes using secondary dates provided by analysis economic government's statistics, of the basic economic models, of the *input-output* multipliers and of the statistics referring to the expenditures made by tourists - **basis of the economic impact of tourism assessment**;
- **Analysis of fiscal impact** shows *if incomes generated by tourism derived from taxes, direct taxes and other sources covers costs with infrastructure and government services* by identifying changes in utilities demand and government services and the assessment of incomes and costs necessary to provide them;
- **The assessment of the impact on environment** shows *witch is the impact of an activity on the environment*, meaning of the biological changes, cultural, ecological, economic, physical and social, using the method of checking basis on a list, of the simulation models etc .;
- **Feasibility study** shows *if a project or policy should be applied from economic point of view*, based on the analysis of the demand from the market (in determining market feasibility) and financial analysis (in determining the financial feasibility);

### CONCLUSION

To avoid obtaining the results limited to one aspect, it is recommended the use combined of these economic analysis. The benefits from agrotourism (jobs, incomes) depends on how much is related tourism activity (through natural attractions, local products and services, and other resources that support tourism) by the local economy: in other words, as much as tourism is "local ", as much the direct economic impact of tourism is greater. The explanation: many of the activities and agrotourist attractions are local small business and many hotels and restaurants buy their *inputs* or products and complementary services (agriculture, food, crafts, construction, guides, entertainment, and transport) from local entrepreneurs and vendors, creating additional jobs and incomes in the area.

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