# TOURISM ROLE IN ECONOMIC GROWTH

# ROLUL TURISMULUI ÎN PROCESUL CREŞTERII ECONOMICE

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***Abstract:*** *Tourism is a phenomenon that is a distinct field of activity, a crucial component of social and economic life and which is constantly evolving under the influence of changes in contemporary civilization. The various definitions given to tourism are closely related to the overall objectives of the economic policy, the phenomenon of globalization and the resulting effects of tourism. Today, the contemporary tourism is an "industry" which is expanding rapidly under the influence of: increasing welfare, demographic changes, extra time spent traveling, the increasing mobility of population, the development of means of transportation.*

***Key words:*** *tourism, economy, services, tourist area, trade.*

## INTRODUCTION

The affiliation of tourism to the services sector derives from the way of achieving some of its defining characteristics as mobility, dynamism and capacity to adapt to the demands of each visitor, and also from the peculiarities of the tourism product because it is the result of a harmonious combination of services which correspond to specific features and usage mechanisms.

Services were amplified in the modern economy, when there were many and varied as a result of computerization of society, the environment protection activities and enhanced expansion of urbanization: household housing, energy and water distribution, transportation, telecommunications, as well of those that increased the individual's free time (laundry, dry cleaning, modern forms of trade, maintenance of domestic appliances and household goods) and services related to the use of leisure (tourism, culture, sports).

Constituted primarily of service benefits, tourism is now an essential component of the tertiary sector.

## MATERIALS AND METHODS

Meeting the needs of tourists, of large social segments, generates a set of processes and relationships that prints the features of a distinct field of activity to tourism which must be constantly adapted to the changes in economic and social life, in correlation with other areas of the economy due to the complexity and dynamism of this more specific phenomenon of the modern civilization.

By-products such as tourist accommodation, transportation, meals, entertainment, etc. components of the complex tourism product are complementary to tourist services, thus representing part of the services of an economy. They are the result of distinct areas, well defined, which exist independent of tourism, but with real possibility to intermingle the specific activities with the ones of tourism.

Tourism, as an economic activity, includes a variety of services derived from the primordial ones: of information, placement of tourist travel, accommodation, sales of prepared meals, alcoholic beverages or refreshments, different treatments offered by various resorts, as well as recreational and entertainment.

Tourism demand is met by combining, smooth and complex, the actions of other industries, such as construction, electricity and thermal energy, mechanical engineering, electrical and electronics, wood, textile, and agriculture, transport, trade, communications culture, healthcare, etc.

High quality of the elements that define the tourist product influence it positively, and in return it's also unleashing a wave of joint actions on others with whom it comes into contact during the course of tourism activities or those that depend on the outcome of these activities.

Implications and considerations highlight the economic importance of tourism, further argued as follows:

■ **tourism - a way to diversify economic structures.** Diversification of economic structures on the one hand involves developing existing ones as a result of performance of tourism activities with direct or indirect interest on them by increasing the size of the economic sectors designed to meet tourist demand, and secondly creation of other industries

due to the emergence of new tourism-specific activities: leisure, cableways, and others.

Worldwide it was noticed the emergence of sub-branches with specific purpose of tourism that include interior decorations for hotels and restaurants in the textile and glass industry, furniture, crafts, sports equipment (tents, skis, cosmetics - beach oil, creams, etc.).

■ **tourism - a way to verify the resources.** Economic implications of tourism also include elements intended for a higher recovery of resources involved in the development of tourism, such as landscape, climate, water, flora, fauna, or human resources.

Tourism activity also provides, the development of resource-poor areas, by making travel arrangements, locally increasing the use of various resources, labor, and creating better living conditions for residents. It is outlined, the role of tourism in the economic and cultural development of those regions, even causing mutations in their evolution.

Gradually, as a result of the conduct of tourism activities in poor areas in terms of natural resources, there have been set the conditions for attenuation of imbalances at inter-regional and intraregional and at local, national or global level.

Recovery of resources involves not only activities that include development or redevelopment activities of the tourist area, but also a balanced and appropriate use of existing or conceived ones and executed under the conditions of environment protection for sustainable growth.

■ **tourism - the creator and user of national income.** Training and stimulating of the tourism production, causes an increase of production which is reflected as a contribution to the GDP.

Favorable effect of tourism on national income is reflected throughout the process through which the export of visitors ensures the most advantageous exploitation of national resources and domestic labor. Application of rates and prices comparable to those of foreign markets, and higher compensation to those used in domestic tourism, saving transport costs, with packaging, insurance, etc. substantial costs for exports of goods, the ability to use (especially for the culinary preparation) common agricultural raw materials and not necessary of higher quality are some of the methods that allow tourism to eliminate internal labor export without currency hedging and therefore, increasing the country's national income.

■ **tourism - creator of new jobs.** Tourism activities and operations are subject of the process of automation and tech at a much lower rate compared with that of other industries. Also, this area has a special ability to capture surplus labor from other industries and sectors. In this context, tourism is identified as the most labor-intensive thus creating new jobs.

Tourism is considered as the most dynamic sector in terms of job creation in different ways which led to establishment of the following types of employment:

● direct employment - people who work in a tourist business such as hotels, restaurants, tourist shops, travel agencies;

● indirect employment - job in sectors that supply food and non food products, industry, agriculture, fishery;

● induced employment - additional staff employed under the spending of earnings made by direct and indirect employees;

● employment in the construction industry - construction jobs in the tourism infrastructure and capacity.

■ **tourism - stimulating investment.** Tourism is an area favorable in terms of revitalizing and upgrading any economy, because businesses are small and capital requirements are small, imprinting investments with a fast rate.

Investments in tourism train investments from those areas that involve working in close relationship with tourism. It is exercised in this way, a favorable effect on the area where the target was placed by the revenue generated by its exploitation, by the consumption of goods and services as well as salaries granted to employees.

Investments in tourism directly influence both the ones from the tertiary sector and the ones from the national level, emphasizing the dual role as promoter of tourism:

● stimulating the investment specific to tourism;

● stimulating the national investment.

■ **tourism – factor for the attenuation of the inflation phenomenon.** Domestic and international tourism enables a balanced cash movement.

Tourism contribution to balancing solvent demand and tourism demand is noticeable by the amount of money spent by the tourists to purchase goods and services, resulting in a reduction of the inflationary pressures.

Inflationary aspects of tourism are reported in the subject areas of tourism development, through a higher condensation of the touristic demand that leads to a widening of seasonal price fluctuations, a significant discrepancy between the purchasing power of residents and tourists with an increase food prices, accommodation for tourists, investors and foreign employees, etc.

At national and global level, the inflationary pressure phenomenon is referred to by the price of land in areas with tourist destination. In these areas, land price has increased rapidly, because tourists come to spend their money, investing them in the economy of the host area, thus being created for it a sensitive inflationary pressure.

■ **tourism - part of foreign relations.** Invisible trade, as the main form of economic relations, is an essential component of foreign trade. In the process of international exchange are included international operations categories corresponding to the process of exchanging goods and services from which foreign currency arise. International tourism is regarded as one of the key elements of invisible trade, including all activities generated by tourists, that in order to visit certain tourist destinations, go beyond borders. International tourism is part of the trade services, including all activities generated by tourists, that in order to visit some tourist destinations, go beyond borders. Thus, this form of tourism arises by combining two touristic streams:

● **receivers -** which are foreign citizens arrivals in a given country which have permanent residence in the issuing country, the spending done by these tourists are for the receiving countries an important and effective source of foreign exchange earnings;

● **transmitters -** which are departures for travels abroad of the citizens of a country, departures done by these tourists are for the transmitters countries a form of external import, which can reduce or increase the asset or liability of trade balance in particular and the payments balance in general.

This is an important source of foreign currency without requiring special efforts at home, a source for more favorable terms of domestic resources spent on producing for export pathways. Tourism activity is manifested as an important chapter of exports, called "internal export", offering the market for a wide range of products and services, which in other circumstances, can't be exported in large quantities without great

efforts and risks - goods with high perish ability, seasonal products, big distances to consumer markets, non competitive prices.

## CONCLUSIONS

Tourism is assessed through the banking records where are recorded information on inflows and outflows of foreign currency, this way appreciating the tourism receipts and expenses, allowing the establishment of indicators, such as: collection or the average tourist expenditure per day, the assessment of the tourism place in population consumption, on its contribution to GDP creation; on equalizing the payments balance and the realization of state income.

Applying statistical tools, specific to tourism, is necessary for measurement of the specific quantitative and qualitative aspects of tourism activity.

The results show the tendency that characterizes the tourism activity and are points of reference in making decisions, setting strategy aimed at its sustainable development.

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