Theoretical and Applied Economics
Volume XVIII (2011), No. 9(562), pp. 155-172

Tourism Competitiveness Index – An Empirical Analysis Romania vs. Bulgaria

Mihai CROITORU
Bucharest Academy of Economic Studies
mihai.croitoru@nicoltana.ro

Abstract. *In the conditions of the current economic downturn, many specialists consider tourism as one of the sectors with the greatest potential to provide worldwide economic growth and development. A growing tourism sector can contribute effectively to employment, increase national income, and can also make a decisive mark on the balance of payments. Thus, tourism can be an important driving force for growth and prosperity, especially in emerging economies, being a key element in reducing poverty and regional disparities. Despite its contribution to economic growth, tourism sector development can be undermined by a series of economic and legislative barriers that can affect the competitiveness of this sector. In this context, the World Economic Forum proposes, via the Tourism Competitiveness Index (TCI), in addition to a methodology to identify key factors that contribute to increasing tourism competitiveness, tools for analysis and evaluation of these factors.*

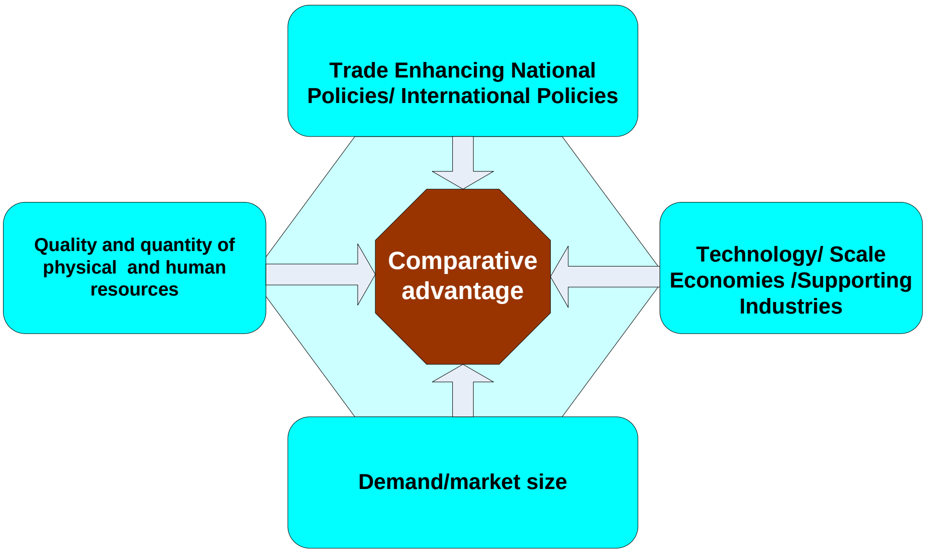
In this context, this paper aims to analyze the underlying determinants of TCI from the perspective of two directly competing states, Romania and Bulgaria in order to highlight the effects of communication on the competitiveness of the tourism sector. The purpose of this analysis is to provide some answers, especially in terms of communication strategies, which may explain the completely different performances of the two national economies in the tourism sector.

Keywords: tourism; competitiveness; empirical analysis; communication strategies.

JEL Code: M21.
REL Codes: 14F, 14K.

1. Some considerations on the significance of the concept of competitiveness

In the context that global economy means fierce competition at international market level, obtaining economic benefits is a prerequisite for economic development. Under these conditions, any social, cultural, economic, institutional, legal differences can become crucial elements in gaining an economic advantage over competing states. Given the complexity of how the economic advantage manifests itself, theories formulated over the whole history of economic thinking have paid particular attention to the notion of economic advantage. In fact, the term economic advantage has mainly developed in theories dedicated to international trade. A brief retrospective in economics shows that the identification of elements that generate economic benefit was one of the major concerns of economists and the theories they elaborated. Thus, the one considered by many as the father of economics as a science, Adam Smith, showed how specialization and division of labor contributes to increased productivity and to achieving economic advantage in international relations. In Adam Smith's (1962) vision, superiority in terms of technology and absolute quality, measured as production costs, represents a primary generator of economic advantage. Adam Smith's vision was adopted and refined by David Ricardo (2002) who, in his famous theory of international trade, shows how a country can gain comparative economic advantages through lower relative production costs than those of its competitors. Both economic theories, although with different implications for international trade, emphasize the same idea: technical superiority is the main factor in generating economic advantage, and this superiority can be achieved through effective investment in capital and infrastructure. Perhaps, the country that learned this lesson best was nineteenth-century England, which demonstrated in that period its economic supremacy among European countries. The factors determining the gain of relative economic advantages are mainly located at four different levels: 1) input of material and human resources, 2) their effective combination through technology, 3) economic policy and legal framework, 4) existent market conditions.



Source: The author's adaptation of S.D Gupta's Comparative Advantage and Competitve Advantage: An Economics Perspective and Synthesis.

Figure 1. *Determinants of national competitive advantages*

On the other hand, starting with the twentieth century, the failure of some countries to achieve significant growth, despite large investments in capital infrastructure, ultimately led to a paradigm shift in the perception of how to obtain economic advantages. By referring strictly to goods production and sale conditions and to services, one is no longer able to accurately describe the complexity of economic advantages. In this context, economic theories have focused on additional factors that are able to provide an economic advantage in the new market conditions. Among these factors, the following can be mentioned:

- human capital;
- technical progress;
- macroeconomic stability;
- corporate governance;
- legislation;
- transparent and efficient functioning of institutions;
- lack of corruption;
- market orientation;
- modernization of firms;
- demand conditions;
- market size, etc.

Beginning with this moment, the absolute or relative economic advantage has turned into a competitive advantage resulting from the combination of a series of effective factors listed above. From this perspective, economic theory has proposed at least two distinct approaches to competitive advantage (Kirsty, 1993, p. 5).

- an approach rooted in the traditionalist view which sustains that competitive economic advantage is generated by the relative, static or dynamic efficiency of a national economy. Simply put, this type of competitive advantage can be evaluated based on performance levels reflected by economic indexes (level of productivity, increase of competitiveness, etc.);
- a second approach, more specific to globalization, describes competitiveness as the reflection of performance in international trade (performance measured as market shares in export markets, or as a degree of import penetration).

Furthermore, since the second half of the last century the economic advantage was embedded within a broader term, competitiveness, which is able to define with greater accuracy phenomena specific to globalization. This new vision offered a boost of significance for this term. Due to its complexity, the term competitiveness can not be defined in only one way, because a unique definition is not able to sum up all the meanings of the concept. With the transformation of economics into an interdisciplinary science, the German sociologist Max Weber (2003) analyzed the relationship between culture and economic development and demonstrated that a factor with significant impact on the competitiveness of countries is the value system of a community. The factors contained within the value system that can influence competitiveness are:

- Inclination towards arduous (hard) work – individuals tend to commit fully to basic national objectives and are able to work hard to meet those objectives (Japanese or Korean type Asian cultures).
- Tendency to live in abundance – although individuals work more than before, they pay increasing attention to boosting their incomes (cultures from Southeast Asia).
- The desire for social participation – individuals may be less interested in hard work and can be particularly involved in shaping the society they belong to.
- Ability of self-satisfaction – individuals pay greater interest and importance to the evolution of their private life, rather than to changes in their society or community (Western cultures).

Appealing to Weberian analysis, in terms of a value system, three different types of behaviors can be defined, which summarize the basic values and the institutions that serve them: the South-European, North European and the Anglo-Saxon model.

The social and economic analysis proposed by Max Weber has acquired a special significance because of its ability to be put into practice. Thus, using the analysis of cultural-competitive relations a decalogue has been established, containing rules for obtaining and maintaining a country's competitiveness(1):

- Creating a stable and predictable regulatory environment;
- Construction of a flexible and adaptable economic structure;
- Massive investments in both traditional infrastructure and IT infrastructure;
- Stimulation of private accumulation and domestic investment;
- The development of aggression in international markets and ensuring domestic attractiveness for foreign direct investment;
- Directing attention to quality, speed and transparency of government and administrative policies
- Maintaining (healthy) economic correlations between wages, work productivity and taxation;
- Preservation of a modern social structure, by reducing pay gap and consolidating the middle class;
- Massive investments in education, especially undergraduate and postgraduate education, as well as continuous training of the workforce and of the population, in general;
- Striking a balance between the economy of proximity and globalization to ensure the creation of a substantial level of wealth and accumulation, while preserving an appropriate value system agreed by the citizens (Garelli, 2008, p. 34).

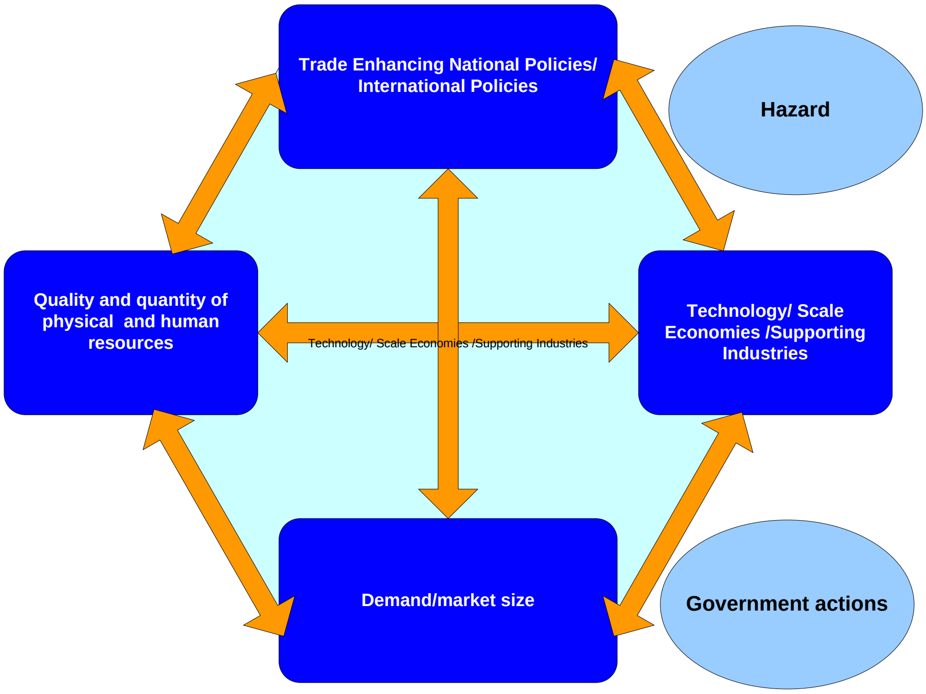
Paul Krugman, the American economist, Nobel laureate for economics, warned that the term competitiveness needs to be treated differently depending on the scope: micro level – the company or macro level – the economy of a country. He states that, in essence, competition between countries is not similar to competition between companies (Myant, 1999, p. 5), and competitiveness is by far no zero-sum game, as traditional economic theory views it. World countries can benefit from the economic growth of other nations by means of a chain reaction: a growth in one part of the world causes the emergence of new markets and the formation of supply sources for the latter. Thus, unlike the traditional mercantile vision, to be competitive does not mean to cause disadvantages to trading partners, but to grow and fully utilize own advantages. In addition, it must be pointed out that no nation can be competitive in all types of economic activities, thus emphasizing the dynamic character of competitiveness. A variety of strategies in different areas can influence competitiveness and there are lots of opinions regarding the relative importance of each factor for economic competitiveness.

A vision similar to that of Krugman belongs to Mark McCord who defines competitiveness as "creation of wealth". Analyzing the factors determining the competitiveness of different countries around the globe, he goes to say that "creation of wealth and therefore competitiveness focus on the use of human, financial and educational resources to ensure and maintain a strong foundation on which economy can flourish"(2). In other words, a resource-rich country can not be automatically considered competitive. A competitive country creates its wealth through work, talent and organization and thus comes to have a productive and creative potential which makes it independent of material resources. This assertion is supported by the example of the most competitive countries in the world. All these countries are constantly creating wealth, not only in terms of financial gains for their citizens, but also in terms of social, educational and political infrastructure. When this occurs, it sets off a cycle of wealth that leads to an upward spiral of competitiveness. Without the generation of wealth and its decentralization to the whole society, a downward spiral emerges, and the consequences are that uncompetitive countries become even less capable to compete in the global market. So, behind competitiveness lies a simple truth: competitiveness is more than just being rich, it is a systematic process of creating wealth.

On the other hand, the author neglects external influence, cultural and technological heritage as well as the competitive environment and the evolving competition in that state. Under these conditions, for political reasons, a series of scenarios opposite the theoretical model such as artificial lowering of competitiveness and alignment to a certain standard system (e.g.: former CMEA countries) or the development of industries in some countries without a tradition in that respective industry cannot be ignored.

In one of his fundamental works, “Competitive Advantage of Nations”, Michael Porter (1982) summarizes a model able to explain how national economies affect the ability of companies to identify and maintain competitive advantage in international markets. In this context, Porter's model identifies determinants of competitiveness, based on the existence of four categories of items, which form the already famous “Porter’s diamond”:

1) *Factor conditions*: human resources, natural resources, technical, market, capital and infrastructure know-how.
2) *Demand conditions*, respectively the level and structure of the demand, its degree of complexity, the ability to formulate needs anticipatively.
3) *Related and supporting industries,* through their level of development and competitiveness
4) *Firm strategy, structure and rivalry*.



Source: Porter M., *The Competitive Advantage of Nations,* The Free Press, A Division of MacMillan Inc., New York, 1990, p. 72.

Figure 2. *Determinants of national competitive advantages*

M. Porter stated that firms succeed "where the national diamonds is most favourable" (1990, p. 72) because global competitiveness factors define the context in which firms emerge and compete both separately, but especially in a synergistic manner. In the previous figure it can be observed that the diamond pattern is a composite matrix. At the four corners of the system are added, in specific circumstances, hazard and government actions.

The situation of the national economy is revealed by analyzing the determinants that indicate the position of countries in terms of production factors needed to compete in a particular industry. Unlike traditional theories of classical and neoclassical origin, which gave the most importance to the endowment with natural production factors, modern economic theory shows that the main determinant of competitive advantage for a country to be competitive is the creation and innovation of new factors or the improving of existing ones. The international competitiveness of a national economy depends crucially on the strategy, the structure of firms and the promotion of competition, the way these firms are organized and managed, the objectives and the strategies applied.

Competitive advantages may arise from differences between present countries at training, objective, working style and manager approach level and from the manner of how these differences are capitalized by coordinating business objectives with stakeholders (owners, shareholders, employees, managers, etc.). An important role in this regard is played by the legal framework which, through its regulations, may encourage the existence of a competitive market at home. Competition between companies proves, most of the times, to be more beneficial than cooperation strategies.

In Porter's view, the achievement of competitive advantages is influenced by the natural and existing international climate. Within these, there are elements such as natural endowment with production factors and the geographical position that a country possesses, but also elements pertaining to the evolution of the international climate which can not be influenced by the respective state (changes in international prices, international market developments, political and social events, technological changes, etc.). On the other hand, there are a number of factors which can be influenced by government action. Public investment, government procurement, subsidies, the legal framework of a domestic market, rules and standards of consumption are all ways to generate competitive advantages. Given the nature of political decision, the global approach to the system of competitive conditions through a coherent government action to improve the country's competitive advantages is very important.

2. Tourism competitiveness index – meaning and method of calculation

From a methodological point of view, TCI aims to evaluate the elements that ensure the development of the tourism sector in different countries through three categories of variables that affect global tourism competitiveness. These categories are assessed through three sub-indexes subordinate to TCI:

1) policy rules and regulations affecting the tourism sector. Elements evaluated in this sub-index refer to those aspects that depend directly or indirectly on the political climate and the country-specific institutional environment;
2) business environment and infrastructure;
3) natural, cultural and human resources involved in tourism activities.

Each of these sub-indexes consists of a number of pillars that define the essential elements in the analysis of tourism competitiveness. These elements are: policy rules and regulations, environmental sustainability, safety and security, health and hygiene, prioritization of travel and tourism, air transport infrastructure, ground transport infrastructure, tourism infrastructure, ICT infrastructure; price competitiveness in the T&T industry, human resources, affinity for travel and tourism, natural and cultural resources. To these a final component, which became increasingly important in recent years, is added - climate change. Each of these pillars is in turn composed of a number of individual variables. The data set used to estimate these pillars include the data from annual surveys conducted by the World Economic Forum, quantitative data obtained from publicly available sources, from international organizations and institutions and experts in tourism. Also, a statistical survey is conducted among senior executives and business leaders who make decisions in this area. In addition, the TCI methodology is not limited to awarding scores and points to the tourism sector in various countries, but its aim is to create a common framework to allow comparison between performances in this field.

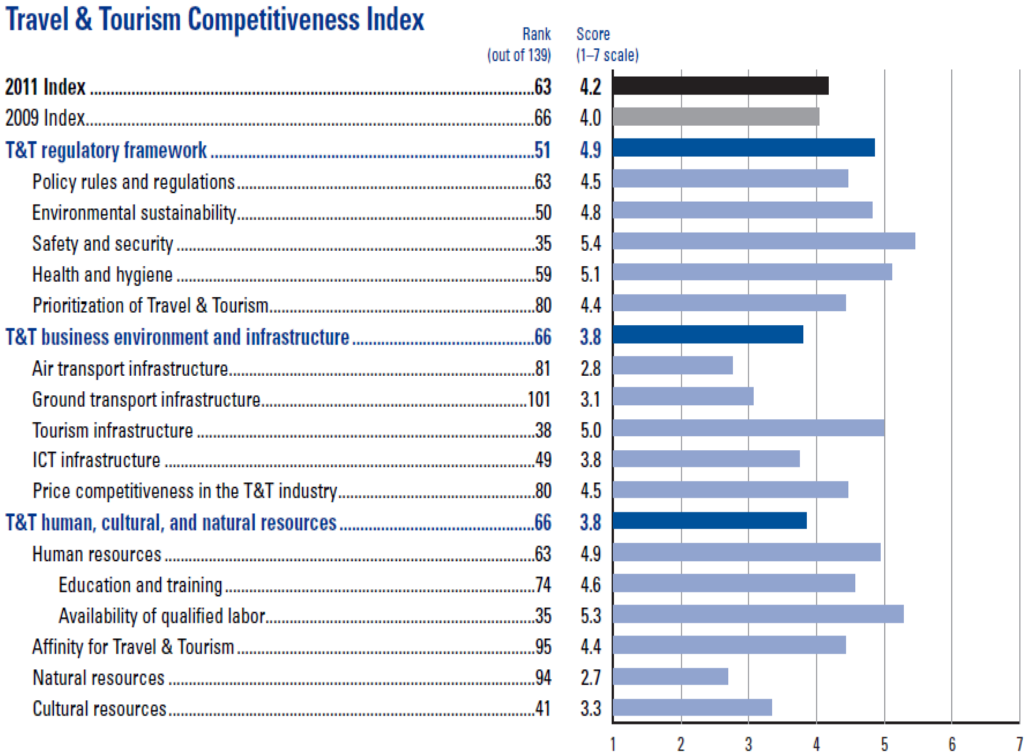
Source: Blanke, J., Chiesa, Th. (eds.), *The travel and tourism competitiveness report 2011,* World Economic Forum, 2010, p. 5.

Figure 3. *TCI components*

Taking into account TCI components, one can note that at least a great part of them can not be measured directly by means of standardized statistical indicators, instead they are determined based on surveys carried out either among specialists or among customers. Thus, TCI is largely the result of perceptions formed regarding the performance of tourist regions or countries, and these perceptions are influenced by the messages transmitted through communication. In this context, TCI not only shows the competitiveness of tourism in the strict sense, but also the effects of communication processes and message transmission techniques on specific tourism activities.

First, it should be noted that it is sufficient only a brief look at TCI 2011 to observe the rule of advanced economies in higher ranking positions. This is, in fact, as natural as can be since most of the elements that make up TCI depend directly and immediately on the degree of development of the national economy, and developed economies benefit from a considerable advantage in terms of investments in economy in general and in tourism in particular. On the other hand, emerging economies began to recover ground compared with the years prior to the economic crisis and to perform increasingly more in the TCI ranking. An analysis of TCI structure shows that while countries with advanced economies are more efficient in terms of legal, business and human resources they clearly lagging behind emerging countries in terms of competitive prices. So, one of the safest ways to enhance the competitiveness of the international tourism market consists of obtaining a better value for money than the competition. Furthermore, the quality-price ratio must be reported on the market through promotion and communication strategies to ensure transmission of cues and signals to a wider and more diversified audience.

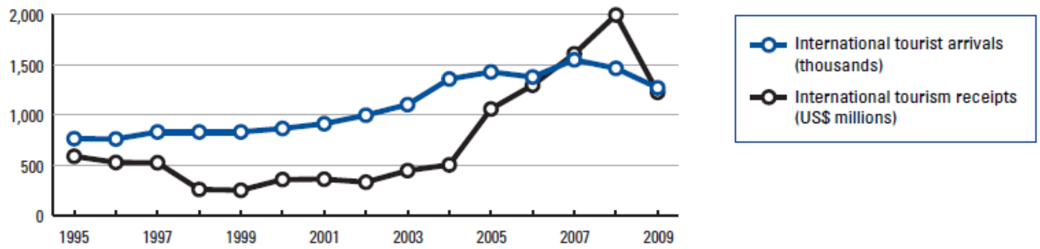
In the ranking based on TCI, Romania occupies, in 2011, the 63rd position out of 139 countries, a step forward from the previous ranking, made in 2009, when Romania occupied the 66th spot. Switzerland ranks first and the last is Chad. Romania obtained the best score on the safety and security pillar, 5.1 out of 7 possible points, the score was slightly higher than that of the top country.



Source: Author's adaptations of Blanke, J., Chiesa, Th. (eds.), *The travel and tourism competitiviness report 2011,* World Economic Forum, 2010, p. 318.

Figure 4. *Romania's tourism competitiveness index*

At EU level, tourism plays an important role especially among SMEs, and its contribution to the economy varies strongly between different parts of Europe. In rural areas at a considerable distance from urban areas, tourism is often the main source of income for the area and the main employment sector that can ensure adequate labor. This phenomenon is visible especially in island countries of Europe, coastal regions (especially in southern Europe) and alpine regions. The dynamic of the tourism sector confirms that Central and Eastern European states are a viable source for the revival of European tourism. Statistics show that Europe has the most popular tourist destinations, being the most visited region in the world. Cultural resources and natural wealth, the quality of the infrastructure, and the variety of geographical areas represent probably some of the reasons why Europe holds this position. Meanwhile, EU enlargement has significantly improved the region's tourist potential by increasing cultural variety and by introducing new tourist destinations.



Source: Author's adaptations of Blanke, J., Chiesa, Th. (eds.), *The travel and tourism competitiviness report 2011,* World Economic Forum, 2010, p. 318.

Figure 5 *Foreign turists in Romania*

The economic crisis has significantly affected the tourism sector, this being reflected both as a decrease in the number of foreign tourists and revenues obtained from them by a country and the transformation of international tourism into a national form of tourism. The second phenomenon directly and significantly affected Romanian tourism, when the number of holidays spent by residents in 2010 decreased by 11.1%(3) compared to 2010, especially given that the percentage of foreign tourists from the total number of tourists stood, in the year 2010, at only 15.4%.(4) After two consecutive years of contraction, the European tourism sector began to show signs of recovery beginning with 2010 when, the percentage of nights spent in hotels has increased by 2.8% compared to 2009(5). However, this was not valid for Romania, which continued the negative trend, recording in 2010 a decrease of 8.7% of nights spent in hotels compared to 2009.

In the context of European tourism, Romania ranks 34 out of 42 positions, one of its direct competitors, Bulgaria ranking seven positions above, on the 27th spot. Moreover, European countries occupy good positions in the world's TCI, although the majority of them were seriously affected by the economic crisis, and both investment and tourism revenue in the sector experienced a significant decline (Ringbeck, Pietsch, 2009, pp. 32-42).

Also, an analysis of the impact of the economic crisis in 2007-2009 shows that the most important tourist destinations in Europe such as Spain, France, Italy, Germany, Greece and Ireland were at the epicenter of the crisis, one of the few beneficiaries from the crisis, from the European area, being Bulgaria. In 2009-2011, Romania was able to climb three positions in TCI, which may, among other things, represent proof of increased communication effectiveness in tourism.

Table 1

Romania's ranking compared with regional competitors

Ranking	Country	TCI			Policy rules and regulations		Business environment and infrastructure		Natural, cultural and human resources	
		Ranking in Europe	Global ranking	Score obtained	Global ranking	Score obtained	Global ranking	Score obtained	Global ranking	Score obtained
1	Czech Republic	22	31	4.77	26	5.26	37	4.56	31	4.48
2	Slovenia	22	33	4.64	29	5.19	33	4.7	53	4.03
3	Croatia	24	34	4.61	42	5.02	36	4.58	43	4.23
4	Montenegro	25	36	4.56	32	5.15	49	4.15	36	4.38
5	Hungary	26	38	4.54	24	4.29	45	4.28	48	4.06
6	Bulgaria	27	48	4.39	54	4.79	44	4.32	51	4.05
7	Poland	28	49	4.38	49	4.86	65	3.81	30	4.48
8	Slovakia	31	54	4.35	39	5.05	57	3.96	52	4.04
9	Romania	34	63	4.17	51	4.85	66	3.8	66	3.84
10	Serbia	38	82	3.85	67	4.57	84	3.39	94	3.6
11	Ukraine	39	85	3.83	64	4.63	76	3.53	118	3.33
12	Moldova	42	99	3.6	68	4.57	98	3.11	129	3.12

Source: Author's adaptations of Blanke, J., Chiesa, Th. (eds.), *The travel and tourism competitiviness report 2011,* World Economic Forum, 2010, p. 12.

In terms of its direct competitors, neighboring countries or countries belonging to the same region, we can see that Romania is in a relatively unfavorable position as it is clearly surpassed by its western neighbor, Hungary, as well as by its direct competitor in all tourism markets, Bulgaria. The result is especially interesting as it can be noted that some countries ahead of Romania (the Czech Republic, Hungary, Poland, Slovakia) can not benefit, for example, from the opportunities offered by a coastline that can be used for tourism**.**

3. Empirical analysis of key factors influencing TCI from an institutional climate and sustainable development perspective – Romania vs. Bulgaria

The political climate and the existing institutional environment have a decisive effect on the attractiveness of a particular region or country as a tourist destination. In general, tourists are very sensitive to the messages sent in connection with the existing safety and security framework and any related negative information, which can be more or less true, can create a negative halo effect as well as a ripple effect among the audience. Egypt's case is a good example that shows the role played by the perception of policy rules and regulations on the perception of tourists. Since the 2000s, taking advantage of the natural and cultural resources it possesses, Egypt's economy focused on tourism, becoming one of the most attractive tourist destinations with a total of

12.5 million foreign visitors and a revenue of 10.8 billion dollars, about 11% of GDP derived from tourism activities. This favorable situation has changed almost overnight with the outbreak in the winter of 2011 of the Cairo protests which required not only the repatriation of foreign tourists who were visiting Egypt at the time, but also the significant reduction of the number of potential tourists who wanted to travel to Egypt(6).

In terms of the overall image from a legal framework perspective, Romania is generally perceived as a country that, although faced with high levels of bureaucracy and legislative instability, provides sufficient conditions to be considered as a destination which does not involve major security risks. In addition, at least in declarations, Romania, as EU member, is determined to align its legislation, including the field of tourism to European rules, directives and regulations**.**

1. *Policy rules and regulations*

Within this pillar, the goal for research is to capture the extent the political environment contributes or is willing to help develop the tourism sector of each country. Governments, by creating and implementing their own policies can have an impact on the attractiveness of this emerging sector, either by providing support to the sector or by hindering its development. Sometimes even well-meant government policies can produce an effect opposite to that intended. Within this pillar, the following must be taken into account: the extent to which local government allows the protection and transfer of property rights to foreigners and the way foreign direct investments are handled (FDI); the time and costs necessary to start a business, the extent to which the free movement of visitors is allowed; the openness to bilateral air services; the assumed commitments regarding the opening of tourism and travel services within international trade.

Table 2

Policy rules and regulations - Comparative analysis Romania-Bulgaria

No.	Policy rules and regulations index	TCI ranking	
		Romania	Bulgaria
1	Prevalence of foreign owners	68	102
2	Property rights	79	121
3	The impact of legislation on FDI	90	126
4	Visa conditions	42	42
5	Bilateral air service agreements	85	102
6	Transparency of government decision	137	130
7	Time required to start a business	40	71
8	Costs required to start a business	30	19
9	GATS type agreements	51	85

Source: Author's adaptations of Blanke, J., Chiesa, Th. (eds.), *The travel and tourism competitiveness report 2011,* World Economic Forum, 2010, p. 145, 319.

As mentioned above, Romania and Bulgaria have a relatively good image in terms of legal framework due, especially, to their position as members of the European Union. According to WEF, Romania is above Bulgaria in six of the chapters specific to the "specific laws and rules" pillar, being surpassed only in two of the nine chapters. It should be noted that Romania has managed to gain a better image than its direct competitor as regards the legal framework of business, and is, apparently, a more attractive destination for FDI, including in the tourism sector. On the other hand, the opacity of government decisions as well as transaction costs necessary to start a business affect the image of Romania compared to that of Bulgaria.

The image a country manages to create regarding its legislative framework in the field of business is reflected in the "Doing Business" annual report published by the World Bank, which has reached the 2011 edition. According to this paper, Romania is ranked 56 (down two places from 2010), while Bulgaria is situated five positions above on the 51st place (similar to previous year) [(7)]. In terms of legislation regarding property, the report notes that both Romania and Bulgaria have introduced simplified procedures for registering property rights, the term is less than six days in both countries[(8)]. Romania has made some efforts to facilitate access to credit and thus to encourage private investment in the tourism sector by accepting credit guarantees of various forms, managing a common database regarding the frequency of bank loan default situations and reduction of fees and costs of accessing credit[(9)]. Romania has also aligned to the international legal framework ensuring greater security of financial transactions in order to protect property rights more effectively. Unfortunately, these measures, although favourable for investments in tourism, have not been promoted enough to be known by the general audience. Meanwhile, Bulgaria has encouraged the emergence of new business by reducing the minimum capital limit from 5,000 leva (3,250 euro) to 2 leva (1.30 euro) [(10)] and the World Bank analysis shows that this country ranks among the first (ie 7th) as a means to facilitate access to credit[(11)]. Concerning the legal system, Bulgaria also stands out thanks to the speed with which a business can be started, there are four procedures to be completed, and the average number of days necessary to meet legal requirements for starting a business is 18 days[(12)].

Aside from the time required to start a business, Romania, especially as a result of the crisis, was forced, along with sixteen other states, to significantly review the legal status of insolvency, in order to allow quicker exit from business of firms facing a delicate economic situation[(13)]. Rethinking the status of insolvency not only permitted a faster statement, from a legal point of view, of bankruptcy but also the issuance of more flexible procedures to allow reorganization of firms in crisis in order to continue their business activity.

2. *Environmental sustainability*

Today no one denies that the relationship between tourism and environment has special significance, the protection and conservation of the environment representing, probably, the essential condition for the progress and development of tourism. This relationship is complex and ambivalent: on the one hand, the natural environment through its components provides the basic resource of the tourism sector, and, on the other hand, tourism exerts both a positive and negative influence on the ecological environment, by altering its components. Research in tourism focuses ever more on issues of sustainable development and the concept of sustainable tourism became part of the current research vocabulary. In this context, "sustainable tourism develops the idea of satisfying the needs of present tourists and of the tourism industry, while protecting the environment and future opportunities". It is envisaged to meet all economic, social, aesthetic needs of tourism "actors" while maintaining cultural integrity, environmental, biological diversity and all the systems that support life."(14)

Although there is an almost general opinion, according to which the natural environment, through the attractive tourism destinations it offers, represents an essential element of tourism development and it is becoming increasingly clear that policies and factors regarding the improvement of environmental sustainability are crucial as to how a country can ensure that it will continue to be an attractive destination in the future. Thus, relating to the pillar of environmental sustainability the harshness of government regulations regarding the environment of each country as well as the extent to which they are actually implemented and respected must be evaluated. Given the impact that tourism can have on the environment, it should take into account the extent to which governments establish a high priority for the sustainable development of tourism. In addition to political issues, this pillar refers to items about how carbon emissions affect the environment and the state of the country's plants and wildlife**.**

Table 3

Environmental sustainability - Comparative analysis Romania-Bulgaria

No.	Environmental sustainability index	TCI ranking	
		Romania	Bulgaria
1	Strictness of environmental regulations	71	125
2	Application of environmental protection regulations	88	118
3	Sustainability of developing the tourism sector	118	123
4	CO2 emissions	74	92
5	Concentration of harmful particles	7	99
6	Threatened species	61	58
7	Ratification of environmental protection treaties	30	13

Source: Author's adaptations of Blanke, J., Chiesa, Th. (eds.), *The travel and tourism competitiviness report 2011,* World Economic Forum, 2010, pp. 145, 319.

According to the WEF report, Romania has managed to create a better image than Bulgaria within the environmental sustainability pillar, achieving better scores in five of the seven indexes calculated by the WEF in this chapter. It seems that Romania has managed to ensure greater sustainability of tourism development and, at the same time, to benefit from better environmental conditions, which are more strictly protected than in Bulgaria. At the same time, Romania has ground to make up compared to Bulgaria in terms of protecting endangered species and the involvement in international treaties on the environment.

In Romania, the strategies proposed and promoted through various communication campaigns want to place sustainable tourism on the path of the following fundamental principles:

- The environment itself has intrinsic and irreproducible value, which is particularly important for tourism activities. This value should not be altered because it should benefit future generations;
- Sustainable development of tourism requires a balance between the demands of tourists and the type of destination;
- Tourist activities must bring benefits not only to tourists and to the local community, but also to the environment;
- The tourism – environment union must be maintained in two directions so that, firstly, tourism activity receives long-term support from environmental opportunities and in turn tourism must not cause environmental degradation;
- The development of the tourism sector should be carried out in accordance with specific environmental, social, cultural and economic planning of the territory where it takes place.

Specifically, these strategies can be implemented through tourism activities that avoid or, at worst, limit the damage to the geographical region caused by the tourist attraction site, the logistics and building architecture. All tourism activities are carried out in compliance with environmental regulations and the impact of tourism on the environment is assessed objectively.

4. Conclusions

The analysis carried out in the previously presented case study, although short, is able to provide some answers about the reasons for low competitiveness between Romania and Bulgaria. First of all, it is observed that, while making serious efforts to improve the institutional environment to encourage investment in tourism, Romania did not have a well put together strategy for reporting these opportunities. In this context, Romania could not effectively take advantage of the favorable geographical position, of the natural and cultural resources and of the high quality human capital. Secondly, although tourism development strategies take into account, at least at declaratory level, the fundamental principles of sustainable growth, these principles are not only implemented, but they are not even transmitted to the target audience by diverse communication methods and techniques. For this reason, the Romanian audience, both as provider and beneficiary of tourism services is not educated in terms of environmental protection and sustainable development. Thirdly, the economic crisis has given a new impetus to Bulgaria which proved, once again, to be more determined to capitalize on its competitive advantages available to the international tourism market. In this context, Bulgaria, unlike Romania, is an example of good practice in the adoption of sustainable strategies and their efficient communication.

Notes

(1) Cf. IMD, World Competitiveness Yearbook, 2003.
(2) See McCord, M., *Creaţi bogăţie, creaţi competitivitate(Create wealth, create competitiveness),*www.ciperomania.org/old_archive/articles/articol9.html.
(3) EUROSTAT, Slow recovery of the tourist accommodation sector in 2010, p. 9.
(4) EUROSTAT, Summer season tourism trends in 2010, p. 2.
(5) EUROSTAT, Slow recovery of the tourist accommodation sector in 2010, p. 1.
(15) Ringbeck, J., Pietsch, T., *Crisis Aftermath: Pathways to a More Resilient Travel and Tourism Sector* in WEF, pp. 35-42, pg. 39
(6) Two of the biggest European tour operators, Thomas Cook and TUI Travel have estimated losses of 20 million pounds and 25 million pounds respectively as a result of the political crises from Egypt and Tunisia. (see Stevenson, A., Egyptian tourism: the cost of crisis, FT.com, February 8th 2011).
(7) Doing Business in 2011, p. 12.
(8) Doing Business in 2011, p. 36.
(9) Doing Business in 2011, p. 44.
(10) Doing Business in 2011, p. 19, 135.
(11) Doing Business in 2011, p. 39.
(12) Doing Business in 2011, p. 152.
(13) Doing Business in 2011, p. 10.
(14) World Tourism in 2010, p. 24.

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