

**RISK AND RESILIENCE IN  
THE SUSTAINABLE DEVELOPMENT OF TOURISM**

**REZILIENȚĂ ȘI RISC ÎN DEZVOLTAREA DURABILĂ A  
TURISMULUI**

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**Abstract:** Tourism does not occur out of “nothingness”, an indefinite space, but it is an activity inserted in a particular geographical and sociocultural entity developed in a certain historical-political-geographic space and which has its own centres for potential, power and sustainable development force, interest groups, etc., with a special consistency and resiliency. The significant resilience of Romanian tourism is that ability to withstand shocks, even to adapt well to “n” challenging situations like the economic crisis, the latest attacks launched in major capitals and tourist destinations (Istanbul, Paris, flues of all kinds, either avian or swine, the war in Ukraine, which favoured the development of cruise tourism, etc.), from which the Romanian tourism has emerged victorious, transforming many of these “shocks” into opportunities, emerging ever more powerful on the regional and international tourism market, itself subject to multiple metamorphoses.

**Key-words:** *tourism, risk, resilience, sustainable development, destination*

**Cuvinte-cheie:** *turism, risc, reziliență, dezvoltare durabilă, destinație*

## **I. INTRODUCTION**

The risk, defined as “the exposure to the possibility of damage or loss, a blow or danger”, implies “any conscious or unintended behaviour with a component of uncertainty considered” (Balaz&Williams, 2013). Originated mainly from the external environment, it takes over its coordinates, and its components, the main risks being those of the macroenvironment, i.e. certain political, economic, technological, natural, social and legislation risks.

Before developing the concept of economic risk in tourism, we must understand the concepts of risk perception, on the one hand, and attitude towards risk - as representing the stages of a process of its mitigation, on the other hand.

Because the tourist must travel to the place of the tourism product, the problem of economic risk should be addressed multilaterally, in the sense that travel companies can be negatively influenced by the economic environment of the destination, as well as the destination can be put to risk by the companies' activities

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in tourism. More so, the tourist potential is subject to risks when choosing a tourism product consumption (which implies a certain combination made up of a number of service providers and one or more destinations); therefore, the manner in which the economic risk is considered by the tourist when purchasing a holiday is extremely important to obtain a relevant market image.

## II. RESULTS AND DISCUSSIONS

### 2.1. *The concept of resilience in literature*

Following some research (Floyd et al., 2004; Lepp&Gibson, 2003; quoted in Balaz&Williams, 2013), it has been shown that the main concerns of tourists are related to safety and security, emphasising four categories of risk factors: war and political instability, health, crime and terrorism. However, the economic risk in tourism is a relatively unexplored field, but certainly having a higher finesse, the literature generally emphasising the positive influence of tourism on the economic environment or the study of risks from the natural or political environment on tourism.

In tourism, the risk has two coordinates, namely: lack of information about the tourist destination, especially compared to the destination - space of residence [through the assessment of the relevant economic indicators] and lack of information on future conditions, starting from the weather, the natural disasters or the social issues (Chang, 2009 quoted in Balaz&Williams, 2013). The economic risks are also filtered through the existing offer and service features (intangibility, inseparability, heterogeneity and perishability), their contribution hindering the knowledge and hence the risk-taking process (Mitchell&Greator, 1993, quoted in Balaz&Williams, 2013). Also, the tourist market features may increase the influence of economic risk on the decision to purchase, because of the complexity of the decision to purchase in tourism (this not being a routine decision, characterized by the low frequency and the increased importance, both rational and emotional, of the decision to purchase). In the case of an economic risk assumed by the tourist, the expenses associated to certain needs found on the last stages of Maslow's pyramid (e.g. social affiliation, exceeding one's limits) are primarily targeted. Therefore, factors such as altering the exchange rate, currency depreciation, higher interest rates, etc., are inversely proportional to the probability of a significant budget allocation for tourism.

### 2.2. *Resilience perception in different areas*

Currently, the concept of **resilience** is associated with scientific, social, economic, political fields etc. Thus, many forms of resilience have taken shape linguistically and functionally over time, such as: psychological **resilience**, biological **resilience**, urban **resilience**, institutional **resilience**, economic **resilience**, financial **resilience**, political **resilience**, social **resilience**, etc.

The economic **resilience**, also specific of tourism, relates to the economy's ability to recover or to adapt to the adverse effects to which it has been subjected.

If, in the beginning, we met resilience in works with a metaphorical meaning when analysing systems facing various disturbing factors and supporting points of imbalance, having the ability to resist and return to its original state (Klein et al., 2003), the concept has been taken over by other fields as well, such as economics, engineering sciences, ecology, tourism, environment, etc.

For example, in ecology, resilience is seen as a measure of the ability of ecosystems to persist over time by absorbing changes in antithesis with the concept of stability, which is the ability of ecosystems to return to the previous state through various processes of reorganization taking place over a period of imbalance (Holling, 1973; Pimm, 1984; Carpenter et al., 2001).

Resilience has now become a landmark for analysing the sustainable management of ecosystems, biodiversity participating directly in increasing the resilience and the functionality of ecosystems (Peterson et al., 1998; Chapin, 2000).

Extrapolated from ecology to the social field, resilience involves the reaction of individuals, communities, social institutions or even economies subjected to functional imbalances with multiple consequences.

In the socio-economic field, the concept is analysed according to the sustainable development (Common, 1995, quoted by Klein, 2004) or in the analysis of natural and anthropogenic hazards, becoming the subject of several interdisciplinary works. The pressure exerted on the landscape with an increasing intensity leads to a structure overloading and, thus, to the emergence of risk phenomena, determining a new area of study in tourism geography, slightly approached until now (Cocean, 1999; Ianoş, 2000; Mazilu, 2012).

The creation in 1999 of a scientific body: the Resilience Alliance, as an organization of scientists and specialists from different fields, dealing with the research of the dynamics of socio-ecological systems, offers a considerable space in its research to adaptability as element of resilience, being constantly influenced by resilience (Carpenter et al., 2001; Klein et al., 2003).

We must also mention the perception of this concept by ISDR (UNO for Disaster Reduction Risk) which defines resilience as “*the ability of a system, community or society to resist or to change to acquire an acceptable functional and structural level.*” *This is determined by the degree to which the social system is able to self-organize and its ability to increase its capacity for learning and adaptation, including the ability to recover from a disaster*”, developing also an International Strategy for Disaster Reduction<sup>2</sup>.

As a subject: the Management of natural hazards also studies and is concerned with the reduction of natural risks, the resilience increase of various communities to shocks of various nature, and beyond. Another large category of tourist risk generating factors is of anthropogenic origin. Human action exercised in the tourist area multiplies in parallel with its expansion and diversifies in close correlation with demand refinement. The origin of anthropologic tourist risk phenomena is represented by the acknowledgement of the action and reaction

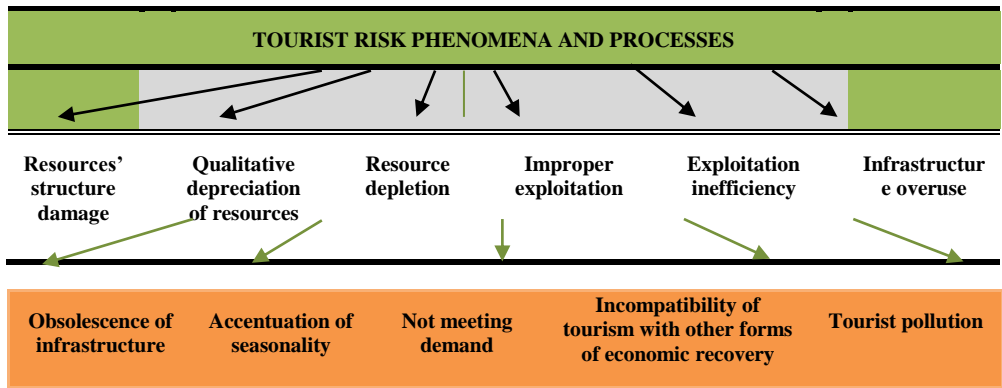
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<sup>2</sup> <http://www.geography.ro/rapoarte/raport-stiintific-ceex-iris-2006.pdf>

potential of elements on which it acts, the wrong choice of methods and the means of intervention, the interested overuse of system components, the lack of professionalism.

From the above presentation we note the grafting of risk phenomena and processes at the level of the attractive potential (resources), infrastructure and economic purposes (Fig. 1). Risk threatens the structure, quality and quantity of attractive resources whether they address recreational, curative, cultural or mixed tourism.

Tourist establishment and exploitation of a territory sometimes emphasises the risk of inappropriate exploitation when some of the attractive qualities of resources are not valued or are unsuitably integrated into the tourist system.



**Fig. 1. Nature of risks in tourism**

(Source: Cocean, 1999)

### 2.3. The adaptability of tourism to economic risks

Tourism has the capacity to react much more differently and more nuanced than other sectors of economy to recession phenomena which aggravate the crisis. Tourist flows, their volume and intensity, generally the tourism activity are profoundly affected by the economic development level, the population's income level, their distribution among the categories of consumption and the evolution of consumer price indices. It is known that these issues exist alongside a multitude of other influence factors on tourism.

**The economic risk** can be defined by the mode of action in the tourist business environment where uncontrollable factors may intervene and negatively influence the economic performance. Therefore, the possible risks should be evaluated and accepted only within certain limits.

The following **risk functions** are known in the tourism business environment:

**The innovative function.** Making a risky decision, which subsequently can contribute to the successful conduct of the tourist business, is specific for this function.

**The regulatory function.** The manager's ability to risk may serve as an actual incentive in the company's development, but can also serve as a destructive element of the business.

**The defence function.** Risk is an inevitable component of the market economy, therefore the manager must be prepared to bear some failures that may occur in the activity of the tourist company.

**The analytical function.** The risk management policy involves the ability to choose, i.e. to study and forecast various risk situations that would diminish the impact on the tourism business. In this context, the tourist has the ability to shape its behaviour as required, practically and in given situation, so flexibility in the conduct seems a way of adaptability, with varied application options.

The Romania from the latest years of searching for the modern capitalist economy is under the influence of sharp imbalances, a decline in production, the de-harmonisation of markets, in other words, the economic crisis, and not only that, shatters all areas of social and economic life, including tourism, before the achievement of structural performance.

#### **2.4. Stability elements in tourism**

Returning to the differentiated and nuanced nature of tourism reaction to economic instability, we should mention that the intensity of the erosion and decline process of tourism activity is moderate compared to other economic sectors. In our country, the mining and manufacture industry, the textile industry, the food industry have recorded and record a high number of units with a significant economic share, that have closed down due to lack of markets, financial bottlenecks, lack of profitability etc. This phenomenon has reduced proportions in the Romanian tourism industry. The major experienced travel agencies sometimes, indeed, operate with seasonal decreases in activity, closing smaller units. New companies have emerged and have developed well in the field of tourism.

From a financial standpoint, tourism facilities still remain afloat in terms of the coverage of expenses with revenues. Of course, this is not at the expected level, but they survive.

From the economic standpoint, the explanation lies in the arrivals of foreign tourists who have a certain stability. In 2015, the arrivals recorded in the tourist accommodation establishments amounted to over 9.898 million, up by 17.2% compared to the ones in 2014, according to the National Institute of Statistics (INS). Of the total number of arrivals, the Romanian tourists' arrivals in the tourist accommodation establishments reached, in 2015, 77.4%, while the foreign tourists represented 22.6%, similar shares to those in 2014. In terms of foreign tourist arrivals, the biggest share was held by those from Europe (74.5% of the foreign tourists total), and of these, 85.6% were from European Union countries.

The international tourist flow provides a relatively constant level of earnings in foreign currency, a continuity of tourism services (Table no. 1)

Unfortunately, the factors acting as disruptive to the tourism functionality come from the political sphere: the inconsistency in decisions with major impact on

the growth and visibility of Romanian tourism (Law on holiday vouchers given by the previous Government and not applied by the technocrat government, low VAT on tourism services “on paper” but actually increased, the lack of a functional law on tourism, a coherent strategy for promotion, etc.).

**Table no. 1. Arrivals and overnight stays of tourists in 2015-INS**

	Arrivals			Overnight stays		
	2014 Arrivals - thousands -	2015 - thousands -	2015 compared to 2014 - % -	2014 - thousands -	2015 - thousands -	2015 compared to 2014 - % -
<b>Total</b>	<b>8444,0</b>	<b>9898,6</b>	<b>117,2</b>	<b>20230,2</b>	<b>23445,4</b>	<b>115,9</b>
Romanian tourists	6532,2	7664,4	117,3	16467,8	18985,4	115,3
Foreign tourists*) of whom:	1911,8	2234,2	116,9	3762,4	4460,0	118,5
- Europe	1475,4	1664,8	112,8	2848,0	3237,9	113,7
- European Union	1261,2	1425,1	113,0	2404,1	2709,8	112,7
- Asia	225,4	319,0	141,5	488,5	667,0	136,5
- North America	131,6	150,8	114,6	238,4	291,3	122,2
-South America	15,8	16,4	105,1	31,0	35,0	112,9
-Africa	18,5	18,7	101,1	76,4	115,8	151,6

(Source: <http://www.insse.ro/cms/files/statistici/comunicate/turism/a15/turism01r15.pdf>)

The thorough analysis of the above explanation leads us to point out some elements specific for Romanian tourism that allow a specific evolution, with significant increasing development trends in the economy:

- ✓ the undeniable attractiveness of natural and anthropogenic resources of our country (Romania ranking 9 in the top 10, in terms of the prices/offer ratio, in a report drawn up by the publishers of the Lonely Planet travel guide (<http://www.wall-street.ro>);
- ✓ the traditional hospitality of our people;
- ✓ the current existence of a category of tourism professionals and enthusiasts;
- ✓ the adaptability and rapid development through capital investment, etc.

### III. CONCLUSIONS

Since the beginning of the 9th decade of the twentieth century, the World Tourism Organisation began to pay special attention to issues related to the sustainable tourism development. Almost every year, the WTO enshrines various international events to support sustainable tourism.

Tourism at all levels (local, regional, national and international) includes numerous causes and effects related to the interaction between economy and ecology. Currently, most tourist destinations offer a natural landscape, a protected environment, and those who neglect these potential benefits, they will lose over time, recording a lower number of tourists, and local communities will suffer damage in time and space of the environment quality, with the loss of cultural identity, causing a decrease in economic benefits.

When there is an agreement between local economic interests and environmental protection ones, tourism can become a factor of environmental preservation and protection.

The archaeological, historical sites, the architectural monuments, the artistic events are important elements of a culture locally and regionally.

The tourism industry, by way of capitalizing on tourism resources, supports the protection and funding actions to safeguard the environment.

It is, therefore, necessary, in terms of economic risk viewed from all perspectives (at a destination, the service provider or consumer level), identifying for each destination/tourism form those elements (e.g., the existence of unique resources and the situation of engaging in desired activities, etc.), the main “assets” of the destination, maintained and managed by its supporters, representing, in consumer's opinion, situations to dismantle the associated economic risk which may affect, regardless of its source, the direct or indirect interests.

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