

PESTEL ANALYSIS APPLIED IN TOURISM EVALUATION IN BRAILA COUNTY

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Abstract

The Diagnostic Analysis of Tourism in Braila County represents a broad investigation of the main economic, technical, sociological, legal and managerial aspects. This analysis was carried out in order to highlight the strengths and weaknesses of the tourism activity in the county, as well as the opportunities and threats of the environment that favour or threaten the development of this activity, including generating causes.

The PESTEL method is reflected in recommendations on the sustainable development of the sector under consideration (to capitalize on strengths and opportunities) or corrective (to eliminate or mitigate identified weaknesses and threats) based on a detailed analysis of political, economic, social, technological, ecological and local legislation, which are related to regional and national reality.

Keywords: *diagnostic analysis, tourism, sustainable development*

JEL classification: *Q56, Z32, R58*

1. Introduction

The PEST analysis examines the external business environment and is an appropriate strategic tool for understanding the "overall picture" of the environment in which Brăila tourism operates, which makes it possible to seize opportunities and minimize the threats faced by activities in the field. When strategic planning is done fairly, this type of analysis provides a solid foundation for future development.

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Strategic Diagnostic Analysis is a four-step process: *the external environment analysis* that aims to highlight the opportunities and restrictions that the external environment offers to tourism activity in Brăila County, *competence analysis* that aims at highlighting strengths and weaknesses, developing a system of *values of management in tourism activity* that involves the analysis of the mission, the objectives, the performance levels that the activity in the tourism sector intends to achieve. *Macromedia analysis* includes *political, economic, social and technological factors and is referred to as PEST analysis*.

The PEST analysis (also called PESTEL) has been developed to have a long-term perspective and to clarify the strategic opportunities and threats facing tourism in Brăila County (Bivolaru E., 2009). The following were analysed:

- **political** factors and government policies that may affect tourism, such as fiscal relaxation or austerity, changes in taxes and assessments, supporting through various forms of the local producers etc.;
- **economic** factors, including interest rates with their short, medium and long-term change trends, economic growth, inflation, exchange rate levels (for example, the devaluation of the leu may encourage the acquisition of tourist products by foreign tourists);
- **social** factors, given that the demographic structure of the population, the rejuvenation or aging of the workforce or the customers, but especially the behaviour of consumers are factors that influence tourism, and these can change a lot in the long term;
- **technological** factors: new technologies are constantly changing and those who do not keep pace with them are rapidly overtaken by those who manage to adapt, often "on the go"; online reservations are on the rise, which is why hotels, restaurants and travel agencies are adapting to the new requirements;
- **ecological** factors, caused by increasingly accelerated climate changes, which has the greatest impact on tourism; also in this category is the growing concern for the protection of the environment;
- **legislative** factors: changes in minimum wages, legislation regarding consumer's protection, competition or health and safety at work.

2. Analysis of factors that influence tourism in Brăila County

Based on the detailed analysis of the situation of each factor, taking into account its level or importance, it appreciates the influence it exerts on the

overall activity of the Brăila tourism and the degree of performance achieved in the sphere of that factor.

As is normal, the diagnostic process focuses mainly on strengths and weaknesses, which have a significant influence on the development of tourism activity and the economic performance of this sector of activity. But, at the same time, weaknesses which, under certain conjunctures circumstances of an internal or external nature, can amplify their influence on the situation of tourism in the area may even be neglected, and even become threats.

Political factors can influence Braila tourism by arranging flyways or distinct spaces in existing agro-food markets in urban areas where certified traditional local products are marketed. In this way, local producers will be encouraged to keep their traditional recipes, and urban consumers will be able to choose good quality products and help boost local pride. It is also a possibility of economic development for rural areas and even an increase of interest in preserving traditions and authenticity. To this end, in August 2018, the funding of projects was launched through Sub-Measure 3.1 "*Support for the First Participation in Quality Schemes*" of the National Rural Development Program 2014-2020 (www.afir.info) to be given to farmers and groups legally established farmers who participate for the first time in a European Union quality scheme - Protected Designation of Origin (PDO), Protected Geographical Indication (PGI), Traditional Specialty Guaranteed (STG) and organic products. Gulianca cheese could be promoted professionally and could even become a product of geographic origin. In fact, a better promotion of the Gulianca cheese festival, which runs from 2015 in mid-May, can make Salcia Tudor and Gulianca villages a possible agritourism destination. There are other traditional products in Braila County: in Vădeni commune - the village of Baldovinești, "Hatman" cheddar and "Hatman" cheese are prepared (www.afir.info).

In addition, the National Institute of Research and Development for Food Bio resources - IBA Bucharest offers in the first months of 2019 (www.bioesurse.ro) free vocational training and training to eligible companies in the South East Region (Brăila, Buzău, Constanța, Galați, Tulcea and Vrancea) in the fields of food and beverage processing, tourism and ecotourism, health and pharmaceuticals, bio-economy, biopharmaceuticals and biotechnologies. Under these conditions, restaurants can supply fresh, high-quality products and help revive the rural economy (www.bioesurse.ro).

Economic factors contribute directly and indirectly to the sustainable development of tourism. Regarding the effects of tourism on the economy, the

World Tourism Organization shares these effects into three categories, namely:

- *global effects*: on the national economy in general, stimulating production, using labour;
- *partial effects*: balancing the balance of payments, exchange rate, money and money circulation, income distribution, regional development, rural environment, demographic movement;
- *external effects*: environmental quality, vocational training, consumer habits, training and education, social and cultural change.

Taking all these aspects into account, a multifunctional approach to tourism is required (Cosmescu I, 1998). The dimensions of the tourist phenomenon, the presentation of its multi-functionality, highlight the interdependence between tourism development and economic growth, a process that intensifies and drives the demand for a range of goods and services that would otherwise not have been produced or provided.

The number of inhabitants of Braila County on January 1, 2018 that have their residence in the urban area is higher than those in rural areas, so a development of agritourism and rural tourism could relaunch the rural economy and increase the employment rate available work from villages.

Table 1. Population in the period 2013-2017 by sex and residence area, in Braila County

Sex	Residence Areas	2013	2014	2015	2016	2017
Total	Total	315598	312152	308203	303608	299125
	Urban	196563	194068	191245	187968	184693
	Rural	119035	118084	116958	115640	114432
Male	Total	154171	152793	150858	148606	146593
	Urban	94564	93553	92079	90390	88872
	Rural	59607	59240	58779	58216	57721
Female	Total	161427	159359	157345	155002	152532
	Urban	101999	100515	99166	97578	95821
	Rural	59428	58844	58179	57424	56711

Source: Tempo online database, 2018

Unfortunately, Braila County is not very attractive for the population. From the analysis of the number of residential establishments compared to the number of departures, there is a continuous increase in favour of departures at the level of Braila County. The analysed statistical data refer to the range 2015-2017.

The tourist activity also ensures the development of poorer areas of resources, through the development of tourist facilities, favouring the local use of the existing ones, the labour force, thus creating better living conditions for the residents (an example being tourism rural, which does not necessarily focus on comfort and recreation, but on ensuring a natural unspoilt natural environment for tourists, as well as traditions, customs and activities in these areas).

Table 2. Home settlements and home-based settlements in the county of Braila (2015-2017)

Residence areas	2015		2016		2017	
	arrivals	departures	arrivals	departures	arrivals	departures
Total	3832	4893	4041	5202	3983	5429
Urban	1747	2936	1794	3187	1744	3483
Rural	2085	1957	2247	2015	2239	1946

Source: Tempo online database, 2018

The high-performance agriculture on most of the agricultural land in Braila County confirms the priority of this sector of activity. An example of this is provided by agriculture in the Braila islands, where arable land benefits from irrigation systems that ensure increased crop productivity.

Table 3. The surface of irrigated land and irrigated agricultural area (ha), by land use categories during the 2013-2017

Land improvements	Usage of land	2013	2014	2015	2016	2017
Irrigation arrangements - total ha	Arranged agricultural area	357490	357488	357488	357476	357473
	Arable land	325713	325711	325711	325699	325697
Agricultural area actually irrigated with at least one watering	Planted agricultural area	117571	96066	98862	89912	106653
	Arable land	117398	95985	98781	89853	106579

Source: Tempo online database, 2018

Animal farm produce, including that from private holdings, can provide products for the local market, including restaurants. Unfortunately, the steady decrease in production is not an encouraging factor. The problems faced by the rural area, linked to depopulation and the aging of the labour force, affect the productivity of individual agricultural holdings.

Table 4. Animal Farm Production by Forms of Ownership in Braila County, 2013-2017

Categories of animal agricultural products	Forms of ownership	Measurement units	2013	2014	2015	2016	2017
Milk production (including calf consumption) - cow and buffalo (physically)	Total	Thousands of hectolitres	766	750	722	699	674
	Private sector	Thousands of hectolitres	765	749	721	698	673
	of which: Individual agricultural holdings	Thousands of hectolitres	730	709	673	643	599
Milk production - sheep and goats (physical)	Total	Thousands of hectolitres	161	166	172	157	156
	Private sector	Thousands of hectolitres	161	166	172	157	156
	of which: Individual agricultural holdings	Thousands of hectolitres	161	166	172	157	156
Wool production	Total	Tons	654	602	605	622	578
	Private sector	Tons	654	602	605	622	578
	of which: Individual agricultural holdings	Tons	654	602	605	622	578
Production of eggs	Total	Millions of pieces	225	216	178	156	148
	Private sector	Millions of pieces	225	216	178	156	148
	of which: Individual agricultural holdings	Millions of pieces	126	143	178	132	117
Production of honey extracted	Total	Tons	477	331	478	210	304
	Private sector	Tons	477	331	478	210	304
	of which: Individual agricultural holdings	Tons	477	331	478	210	304

Source: Tempo online database, 2018

The local and county administration could intervene in the re-launch of the agricultural sector by facilitating the sale of products, by consulting for the registration of traditional products or those of a geographic origin.

3. Analysis of the effects of tourist activity, possibly a catalyst for the economic recovery of Braila county

The structure of tourism expenditures reflects the impulse that these expenditures give to the sectors that contribute to the realization of the tourism product, the process of revenue growth taking place mainly in these sectors but also in other sectors of the economy through the successive inputs (inputs), collected from tourists, receipts representing the derived income of these sectors. The economic importance of tourism, highlighted by the implications and considerations of this area, is argued as follows: tourism is considered to be a creator and user of national income. The stimulation and stimulation of tourism produces a production increase that is found to contribute to the creation of gross domestic product.

The favourable effect of tourism on national income is highlighted by the process by which the export of tourists ensures more advantageous capitalization of national resources and of domestic work. Tourism contributes to the production of national income and by capitalizing on the resources still untapped, the extra exploitation of those belonging to other domains, or the creations made for other purposes. For the population, tourism expenses represent expenses above the ones related to the satisfaction of the elementary needs, thus tourism being the instrument for regulating the circulation of money. With its help, the state returns some of the population's money savings in circulation, while acting on the necessary balance between the quantity of goods and services offered to the population and institutions and the solvable demand of the buyers. Thus, the role of tourism is shaped in the economic and cultural development of the respective regions, causing even mutations in their evolution.

Table 5. Active enterprises (number of units), by activities of the national economy at section level CANE Rev.2, hotels and restaurants, in the South-East Region and in Braila county (2013-2016)

Localization	2013	2014	2015	2016
South-East Region	3360	3509	3572	3623
Brăila	295	303	300	299

Source: Tempo online database, 2018

Gradually, due to the development of tourism activities in the natural resources poor areas, the conditions for mitigating imbalances at the interregional and intraregional level can be created as well.

By ensuring a balanced money circulation, tourism contributes to the mitigation of the inflationary phenomenon. Inflationary tourism aspects are highlighted in the areas undergoing tourism development, characterized by a greater concentration of tourist demand which results in an increase in seasonal price fluctuations, a significant discrepancy between the purchasing power of residents and tourists. This is manifested by a rise in food prices, tourist / investor / external staff accommodation, or some of the products or services most requested in those areas.

At national and world level, the phenomenon of inflationary pressure is seen through the price of land in the tourist destinations. In these regions, the price of the land has grown rapidly, because tourists spend their money investing in the economy of the tourist area (host), thus creating a sensible inflationary pressure. Tourism plays an important role in the economy and in generating new jobs, thus making a major contribution to attracting labour surpluses from other sectors and thus reducing unemployment.

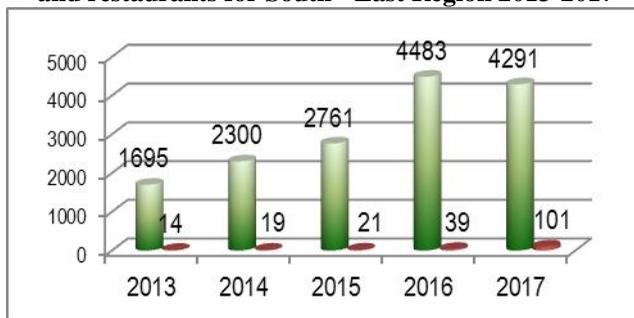
Table 6. Evolution of vacancies, of which in Hotels and Restaurants in the South-East Region (2013-2017)

Year	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Total	Hotels and restaurants						
2013	1943	9	1643	33	1753	4	1442	13
2014	2275	4	2057	48	2315	21	2554	1
2015	2531	14	2510	22	2547	20	3456	29
2016	4752	42	4043	28	4442	41	4692	47
2017	4313	31	4985	298	4186	32	3681	41

Source: Processing Tempo online database, 2018

The average annual staffing requirement for 2013-2017 is 14 in 2013, 19 in 2014, 21 in 2015, 39 in 2016, and 101 in 2017.

Fig. 1. Evolution of the total number of vacancies, of which vacancies in hotels and restaurants for South - East Region 2013-2017



Source: Processing Tempo online database, 2018

Tourism supports the diversification of economic structures. In connection with the development and modernization of a country's economy, tourism also manifests itself as a means of diversifying economic structures, which implies, on the one hand, the development of existing ones as a result of the development of tourism activities with direct or indirect implications on them, increasing the size of the economic sectors to meet tourism demand and, on the other hand, the creation of other branches due to the emergence of new activities specific to tourism: leisure, cable transport, travel agencies, handicraft production and others.

The economic and social problems faced by Romania have also stood out in terms of the busy population (hotels and restaurants) at the level of the South East Development Region and Braila County. Thus, from 2013 until 2017, there was a steadily growing need for tourism staff, but in 2017 only 2.35% of vacancies in the region's economy were recorded.

Tourism represents a promising area in relaunching and modernizing any economy, because small businesses are small and capital needs are small, prompting investment at a rapid pace, thus becoming a stimulus to investment. Investment in tourism engages in investment in those areas that are closely linked to tourism. In this way, a favourable influence is exerted on the area in which the target was placed, the revenue generated by its exploitation, the consumption of goods and services, as well as the wages paid to the employees.

Investments in tourism directly affect both the tertiary sector and the national ones, thus highlighting the double stimulating role of tourism: a

stimulant of tourism-specific investments and stimulating national investment. The process of relaunching the economy of Romania aims, at this moment, to achieve its own configuration in which the services sector is at a higher level, amplifying their role in the context of deepening the relations between economic branches and sub-sectors.

Contemporary economic and social dynamism, implicitly the one manifested in Romania, has also led to changes in the structure of the services sector, where tourism currently has a priority role (Gregorić Marina, 2014). Through all these implications of tourism in the economic life of an area it can be considered that tourism is a factor of increasing the quality of life, which is concretized by two types of relations: direct causal relationship, short-term growth of quality of life due to activity tourism and indirect causality, where tourism induces certain changes in other branches of the national economy, which in turn can influence the quality of life (Barkauskas V., 2015).

Social factors - For holiday makers, tourism means creating conditions and opportunities for rest, relaxation, culture, or contact with other people. Through rest assured, tourism contributes to maintaining the biological and physiological balance of the contemporary man, who finds in this activity an effective solution against all kinds of constraints.

Maintaining an interest in life by the elderly, the gradual replacement of medical treatment with the one based on natural factors, make tourism a good sector to increase life expectancy and to restore the capacity of the workforce and health.

Tourism can be a socialization factor, giving the possibility of direct knowledge of the reality in front of which the tourist can form certain attitudes. It facilitates the exchange of ideas, opinions, thoughts, and contributes equally to the intellectual training of individuals (İhsan Yüksel, 2012).

In the field of culture, Braila County has a network of specialized institutions. There are currently 151 libraries, 5 cultural houses, 96 cultural homes, 7 cinemas, 2 theatres and a musical institution.

Table 7. Evolution of the number of cultural institutions in Braila County (2013-2017)

Braila County	2013	2014	2015	2016	2017
Libraries	173	163	158	157	151
Cinemas	2	2	2	1	2
Museums and public collections	8	8	8	8	9

Source: Processing Tempo online database, 2018

Interest in cultural events varied significantly over the period 2013-2017. Most viewers and auditors at the artistic representations are from Braila County, but during festivals or holidays, tourists choose to visit or participate in the cultural activities offered.

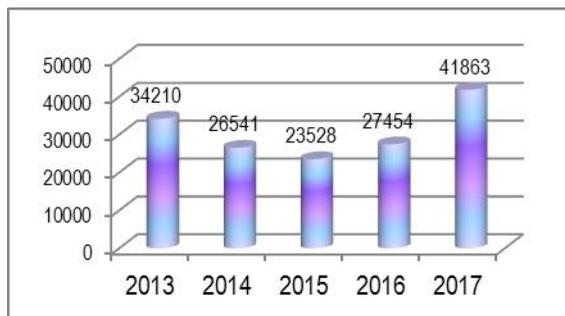
Table 8. Evolution of the number of visitors, spectators and auditors participating in artistic performances by category of institutions and companies of performances or concerts in Braila County (2013-2017)

Categories of cultural institutions	2013	2014	2015	2016	2017
Dramatic (including theatre)	19377	15270	8974	11660	24396
Animation (including theatre)	11833	7587	7543	8769	9479
Philharmonic and symphonic orchestras	2400	1284	911	1725	2288
Artistic ensembles	600	2400	6100	5300	5700
Museums and public collections	34704	31573	28405	28700	50723

Source: Processing Tempo online database, 2018

Compared to 2013, the number of spectators and auditors in the Braila County Performing Institutions declined in 2014, and especially in 2015, slightly increased in 2016, with growth rising well beyond the 2013 audience in 2017.

Fig. 2. Evolution of the number of viewers in Braila County (2013-2017)



Source: Processing Tempo online database, 2018

Technological factors Given that tourism services are marketable in the presence of both the provider and the tourist simultaneously, and automation and mechanization penetrate this area more slowly, we can appreciate that the tourism sector is a big living consumer. In this respect, tourism can be appreciated as the most dynamic sector in terms of creating

jobs in various forms that have led to the establishment of the following types of employment:

- direct employment: persons working in a tourist enterprise, such as hotels, restaurants, touring shops, travel agencies, tour operators;
- indirect employment: jobs in the food and non-food goods supply sectors, namely industry, agriculture, fish farming;
- induced employment: additional staff employed on the basis of the salary gains earned by direct and indirect employees;
- employment in construction: jobs in the field of infrastructure construction and tourism capacity; these are usually temporary but may take a longer period in those areas where tourism is continuously developing.

Ecological Factors Tourism not only directly influences the quality of life, but also indirectly, by interfering with some branches (agriculture, industry, commerce). Thus, tourism offers a surplus of labour force surpluses, capitalizes on local products, exploits in common with other branches (industry, agriculture) unconventional forms of energy, stimulates some branches of consumer goods production with an important role in assuring the quality of life, contributes to the development of competition, which leads to the improvement of the qualitative standards by some economic branches.

Legislative Factors Romania was in danger of entering into the infringement procedure due to the non-implementation of two European directives aimed at guaranteeing tourist packages. Adoption of Government Ordinance no. 2/2018 eliminated the risk that Romania would be drastically amended due to non-compliance with European legislation. As soon as the text of the legislative act was publicly debated at the beginning of July 2018, ANAT expressed its views and showed its openness for dialogue, but no recommendation from the tourism specialists was taken into account. Authorities, the current text to be transposed into an ordinance, are not modified at all on the guarantee segment. Moreover, the draft normative act was complicated, the current form in violation of the European Directive on the liability of travel agencies. Thus, Romania proves to be the only European country that unnecessarily appeals to overregulation, rendering unsustainable the transposition of the Directive into the fragile tourist market in Romania, and jeopardizing the activity of Romanian entrepreneurs to guarantee for big European concerts.

The lack of action of the authorities has led to the fact that the insurance mechanisms, as required by the European Directive, simply do not exist in the Romanian market. Moreover, there are no chances to be created in

the near future, because the number of insurers who have already concluded such policies in the past has been reduced each year.

4. Conclusions

With the occasion of the Tourism Fair of Romania, the hospitality industry specialists met to discuss the most urgent issues affecting the development of Romanian tourism. The nine employers and associations from the hospitality industry are dissatisfied with the lack of involvement of the authorities in the development of Romanian tourism, which led to almost non-existent promotion of Romania, the lack of qualified workforce on the tourism and HORECA segment and the absence of the partnership between the state and the business environment.

Private sector representatives support the creation of a public-private partnership, a successful model of countries with tradition and notable tourism results, with the proposal to set up the "Romanian Tourism Organization" to allow collaboration between public authorities and the private sector. Romania's promotion must be a priority of the central and local authorities. From the choice of Romania's participation in tourism fairs to the abolition of foreign promotion offices, the competent authorities took unilateral decisions, without the involvement of the private environment, which could have contributed by the know-how or better visibility of the country in external plan. Moreover, tourism law needs to design a tourism vision at national level, focusing on the concept of destination and destination management organization (OMD) at both local and national level (ORT). This approach is absent from the tourism bill, as it should have been the centre of it. Employers and associations also claim the lack of qualified workforce in hotels and restaurants and call on authorities to mitigate the crisis of qualified staff, one of which is to support the setting-up of vocational schools. Furthermore, universities are not equivalent to universities recognized worldwide. Regarding the specialized education, although the practice abroad is an integral component in the study years, the Romanian educational units are limited to three weeks per year of study. For temporary employment, the authorities do not facilitate the employment of foreign staff, but on the contrary they apply restrictive and discriminatory rules. Employers want to be aware of the impact of the public policies of some ministries (especially Education, Health, Transport, Culture, Environment etc.) on the hospitality industry, most of the time making their decisions difficult for tour operators. All of this is further emphasizing the difficult relationship between the private

environment and the authorities. Employers are open to communication, involved in the know-how accumulated in years of experience, but demand harmonization of the authorities' agendas with those of the hospitality industry, predictability and respect.

It is essential that tourism is among the priorities of the state, and the employers want the sectoral ministry to make favourable decisions in this sector, especially as it is "a field of national strategic importance". A next step for the professional associations and employers is the creation of a structure that will regroup them in a single, strong voice and absolutely representative for the whole Romanian tourism, in a united spirit of professionalism and the desire for good for Romania tourism. Connected to economic and social dynamics, tourism evolves into a number of different factors in nature and role. These factors can have global action on the entire package or tourism product or just a particular influence on one of the benefits (transport, accommodation, restaurant, leisure and / or treatment).

In conclusion, the tourism product is the result of the activity carried out by various economic agents, tourism acting as a stimulator of the global economic system. The PESTEL analysis for tourism in Brăila County shows that the tourism development engages a multitude of components with stimulating and stimulating effects, both of tourism industry output and of other branches of economy that participate directly or indirectly in the economic growth process.

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